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COMMERCE

M A G A Z I N E

Doing Business Under CMP

Target: The Mass Market!

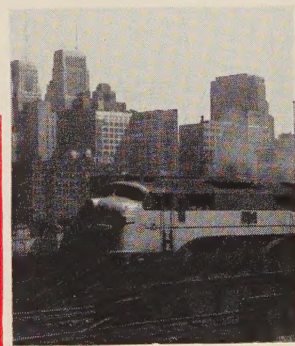
Squeeze On Manganese

Does The Public Believe It?

Washington's Civilian Champion . .

JUNE, 1951

35 CENTS



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Just as the Iron Fireman Stoker is the product of the most experienced organization of stoker development engineers, so the Iron Fireman Industrial Oil Burner has behind it the resources of an efficient, experienced oil burner development department.

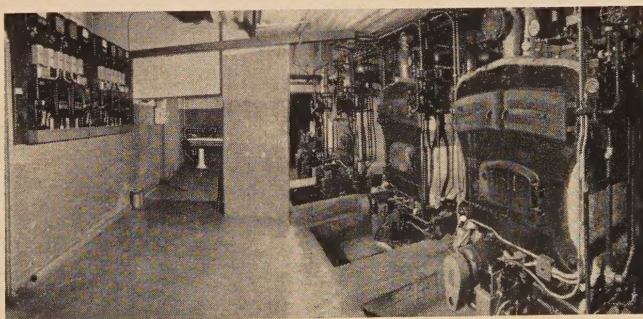
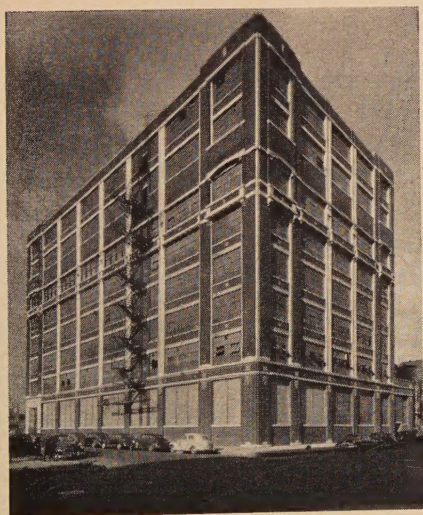
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**UNITED
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STATISTICS OF CHICAGO BUSINESS

	April, 1951	March, 1951	April, 1950
Building permits.....	704	682	1,388
Cost.....	\$13,234,400	\$35,997,000	\$21,732,223
Contracts awarded on building projects, Cook Co.	1,723	1,531	2,111
Cost.....	\$65,150,000	\$45,855,000	\$56,681,000
(F. W. Dodge Corp.)			
Real estate transfers.....	6,245	5,898	6,441
Consideration.....	\$5,183,829	\$5,594,254	\$4,509,777
Department store sales index (Federal Reserve Board)	220.2*	215.5	216.0
(Daily average 1935-39=100)			
Bank clearings.....	\$3,751,120,937	\$3,861,844,112	\$2,922,408,699
Bank debits to individual accounts:			
7th Federal Reserve District.....	\$19,038,659,000	\$22,021,876,000	\$15,353,074,000
Chicago only.....	\$9,684,709,000	\$11,429,405,000	\$7,967,838,000
(Federal Reserve Board)			
Midwest Stock Exchange transactions:			
Number of shares traded.....	1,182,000	1,442,000	1,755,000
Market value of shares traded.....	\$37,198,069	\$41,978,888	\$44,587,277
Railway express shipments, Chicago area.....	906,703	1,006,137	1,021,188
Air express shipments, Chicago area.....	56,160	65,378	53,453
L.C.L. merchandise cars.....	19,957	22,852	20,823
Electric power production, kwh.....	1,148,196,000	1,237,316,000	1,030,708,000
Industrial gas sales, therms.....	13,002,112	9,682,625	9,219,744
Revenue passengers carried by Chicago Transit Authority lines:			
Surface division.....	50,321,684	53,327,420	53,445,477
Rapid transit division.....	12,413,476	13,170,119	12,044,099
Postal receipts.....	\$8,998,894	\$10,804,419	\$9,569,800
Air passengers:			
Arrivals.....	181,785	166,624	134,944
Departures.....	185,154	174,203	137,244
Consumers' Price Index (1935-39=100).....	190.0†	190.0†	172.3
Livestock slaughtered under federal inspection.....	468,615	502,361	477,876
Families on relief rolls:			
Cook County.....	24,169	24,920	31,036
Other Illinois counties.....	16,798	18,463	23,322

*Preliminary figure.

†Figures are on same basis as year ago. New indexes are 189.1 for Apr. 1951 and 189.4 for Mar. 1951.

JULY, 1951, TAX CALENDAR

Date Due	Tax	Returnable to
1	Illinois Domestic and Foreign Corporation Franchise Tax due for year July 1, 1951 to June 30, 1952	Secretary of State
15	If total O.A.B. taxes (employer and employee) plus income tax withheld in previous month exceeds \$100, pay amount to or remittance may be made at end of month with quarterly return directly to	Authorized Depository
15	Illinois Retailers' Occupation Tax return and payment for month of June	Collector of Internal Revenue
15	Quarterly payment of estates tax	Director of Revenue
31	Third quarterly installment on 1950 Federal Unemployment Compensation Tax	Collector of Internal Revenue
31	Illinois Unemployment Compensation contribution report and payment for second quarter of 1951 (UC-3 and UC-40)	Director, Department of Labor
31	Federal Excise Tax return and payment due for June, 1951	Collector of Internal Revenue
31	Quarterly return and payment (by depositary receipts or cash) of income and O.A.B. taxes withheld by employers for second quarter of 1951 (Form 941) Domestic Help (Form 942)	Collector of Internal Revenue

COMMERCE

M A G A Z I N E

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In This Issue . . .

Washington officials, reports COMMERCE correspondent Jack Robins, are feverishly at work this month activating the machinery necessary to shift the U. S. economy to a program of strict control over three basic commodities: steel, copper and aluminum. In his article on CMP (page 13), Mr. Robins outlines this important new control program and explains how it will affect business operations in coming months.

In the midst of the mobilization hubbub, there is a new—and not so well known—emergency agency whose specific job is to champion the strictly civilian producer—the man who makes white shirts, vacuum cleaners or textbooks. The Office of Civilian Requirements, explains Mitchell Gordon (page 18), has representatives on the highest mobilization councils to see that military planners and producers do not step unnecessarily hard on the toes of those responsible for accommodating civilian needs.

Daniel F. Nicholson, who has been looking into present-day advertising of the investment banking and brokerage business, discovers that the decorous “tombstone” announcements of the '20's are now about as passe as the parlor stereoscope. Today security merchandisers are using lively, hard selling advertising in a campaign to explain the advantages of stock and bond ownership to the great mass of average Americans—the biggest source of untapped capital in the nation. Page 15.

Without manganese—the mineral that helps purify iron ore and at the same time makes steel tough—the steel industry would grind to a halt virtually overnight. After months of research, government metallurgists now are convinced they have relieved the nation of its dependence upon foreign manganese. The story of how this undramatic, but none-the-less significant, strategic victory has been won begins on page 16.

Alan Sturdy, Editor

Lewis A. Riley, Associate Editor

Gordon Rice, Advertising Manager

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WAR or PEACE...

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Research
is Making
a Better
World
to Live in**



Weighing radioactive barium carbonate at Argonne National Laboratory—one of the important research centers in Northern Illinois.



ated pace of industrial development, brought on by defense production, is making this aspect of the area's tremendous facilities more and more significant.

Here, industrial research laboratories are close to broad scientific resources—fine universities for experimental projects—great scientific libraries, such as Chicago's John Crerar Library—and most important of all is the close cooperative relationship between business and education. These are the elements which are so plentiful in Chicago and Northern Illinois and which are continually intensifying the area's importance in the

The Chicago and Northern Illinois area has long been a center for scientific and applied scientific research. The present acceler-

research field. Even now, there are located here approximately 313 research and testing laboratories and 73 technical and scientific societies with more than 36,000 members.

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Nowhere else in the world will you find a greater concentration of this important work going on.

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Industries in the Chicago area have these outstanding advantages: Railroad Center of the United States • World Airport Inland Waterways • Geographical Center of U. S. Population • Great Financial Center • The "Great Central Market" • Food Producing and Processing Center • Leader in Iron and Steel Manufacturing • Good Labor Relations Record • 2,800,000 Kilowatts of Power • Tremendous Coal Reserves • Good Government • Good Living • Good Services for Local Tax Dollars.

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The Editor's Page

Prosperity vs. Inflation

THE Psychological Corporation, which has been testing the public's feeling on the state of prosperity for a number of years, is now finding people less and less prosperous. A survey conducted by the Corporation in April showed a sharp increase in the number of families who considered themselves less well off than they were either two or ten years earlier.

In answer to the question, "Is your family more prosperous (or better off) today than two years ago, less prosperous or the same?" the answers compared with a year ago and ten years ago were:

	1951 Pct.	1950 Pct.	1941 Pct.
More prosperous.....	26	30	38
The same.....	41	46	47
Less prosperous.....	29	21	15
Don't know.....	4	3	—

The survey revealed no difference between the feelings of non-union families and union families and very little difference between the feelings of four basic income groups. Just about everyone—from executive to truck driver—seems to take a dim view of the state of his own pocketbook.

These figures, of course, represent what people feel or believe—not the actual economics of the situation. Government statistics may show the average family's real buying power, despite higher prices and taxes, is still ahead of two years ago, due to higher wages and steadier work. In dealing with mass attitudes, however, emotions are liable to be much more influential than statistics. Evidently the race between wages, prices and taxes has lost its appeal and an increasing number are discovering that inflation and prosperity are not one and the same.

Sunshine While You Work

IN Chicago's Merchandise Mart, man-made sunshine is now at work on a major scale in the new offices of Westinghouse Electric Corporation. Some 220 fluorescent sun lamps are in operation over all working areas in the 46,000 square foot office. Westinghouse engineers calculate that an eight-hour day under the lamps equals 15 minutes in the Summer sun.

Time will have to tell just how efficacious the installation will be from the health standpoint. It is hoped that the lamps will reduce the incidence of the common cold, a major cause of Winter absenteeism and add to employees' verve and job contentment. If they do this, the annual extra cost of the installation, estimated at a little more than a dollar a lamp, will be repaid many times over. Even if the irradiation falls short of this ambitious goal,

Westinghouse workers will have the distinction of a Florida tan throughout Chicago's long gray Winter. This, alone, will make them the envy of hundreds of thousands of less fortunate Winter-bound Chicagoans.

The Left and the Right Hand

DURING May American manufacturers were required to struggle with two extremely difficult government regulations simultaneously. They were supposed to complete OPS Form 8 for price regulation and do two huge computing and form filling jobs for CMP. Before either could be done, careful study had to be made of complicated and lengthy regulations. The time of the same departments—accounting, legal and production—was required on both the OPS and the CMP jobs.

This is the kind of unnecessary burden and muddle that can arise in a government regulated economy when there is not very close coordination between regulating agencies. Fortunately the OPS relented at the last minute and extended its May 28 deadline to July 2. Probably this extension saved many manufacturers from missing the deadline. But it did not make up for the terrific burden imposed on all manufacturers during May. The scramble will not have been completely in vain, however, if it results in proper coordination in Washington so that there are not similar occurrences in the future.

Lesson One in Good Management

GOOD business management invariably makes the most of its opportunities. Good management invariably finds ways to extract the highest productivity possible from its labor force. Good business management is versatile, resourceful and indefatigable. It shoots for the top spot in its field and is never satisfied with anything less than perfection.

All of which offers us a very satisfactory explanation of why Chicago's most distinguished business enterprise of the season, the Chicago White Sox, are (or were at this writing) riding the celestial heights of the junior circuit of major league baseball. If this tantalizing performance continues, Chicago bosses can look forward to the highest mortality rate among grandparents in half a century—with a good many of the obsequies being solemnized in the bleachers at Comiskey Park.

Well, so what? It's a stirring and stimulating experience for Chicago and, if need be, we can work all the harder and catch up after the series in the Fall. Meanwhile, it behooves us to remind the sensational Sox that one further attribute of good business management is the ability to hold up under pressure—a quality we warmly wish the Sox in the Summer ahead.

Alan Sturdy



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- ★ Visit RED STAR INN—bring the entire family for truly remarkable dining.

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HERE-THERE and EVERYWHERE

• **Military Benefits**—Employees of Schenley Industries, Inc., who were on the company payroll on June 25, 1950 and have since been inducted into military service, will draw full pay for their first three months in uniform and one-fourth pay each month thereafter for the duration of their military service. Under the company's military benefit program, drafted employees who were hired since June 25, 1950 will receive a lump sum payment equal to one-fourth pay for each month of Schenley employment. The benefits, payable either in cash or savings bonds, are comparable to Schenley's World War II plan which cost almost \$1,000,000.

• **Stop, Look And . . .**—Asserting that a bathtub is a "place of inherent danger," the Florida Supreme Court recently dismissed the damage suit of a woman guest who slipped and injured herself in a hotel tub. Commerce Clearing House reports that the high state court supplemented its finding with this advice on bathing: "When a person gets into a bathtub, he knows that he goes into a place of inherent danger, and he should 'stop and look' before doing so. This is the reasonable and ordinary way to use a bathtub."

• **Federal Buying Guide**—A revised "Index of Military Purchasing Offices," designed to assist companies selling to military departments, has been issued by the Munitions Board. The index lists all commodities which had been assigned by January 1 to one or more of the three departments for centralized procurement. Commodities are listed under 35 major categories ranging from medical instruments to sanitation equipment. The index is available upon request from the Central Military Procurement Information Office, Munitions Board,

Department of Defense, The Pentagon, Washington 25, D.C.

• **Unique Canned Goods**—Giant jet aircraft engines are now being "canned," shock-mounted and humidity-sealed in large steel containers made for the U. S. Air Force by Rheem Manufacturing Company. The big containers for J-35 and J-47 turbo-jet engines protect their contents from vibrations in transit and, during an amphibious operation, can be lowered overboard and floated ashore without damage.

• **Trencherman for \$25!**—The average American, says President Roosevelt H. Park of Hines-Park Foods, Inc., could enjoy the "best grades" of food in the same quantity as "standard grades" for as little as \$25 more a year. And, says Foodman Parks, Americans are slowly learning they can improve their eating for very little more money. Last year, the average consumer, who paid \$342 for food, was spending \$245 of that amount for the same foods which he purchased pre-war for \$119. The added \$97 went for additional and better food.

• **Biggest Pull Yet!**—A permanent cobalt-platinum magnet, described as the world's most powerful for its size, has been developed by scientists of the General Electric Research Laboratory. Although commercial use of the new magnet will be limited because of government restrictions on cobalt and the high cost of platinum used in the alloy, the small magnet is said to have 24 times the lifting power of a comparable Carboloy Alnico magnet.

• **Good News For Diabetics**—Armour and Company will soon open a plant in Argentina to tap new sources of raw material to relieve

(Continued on page 43)

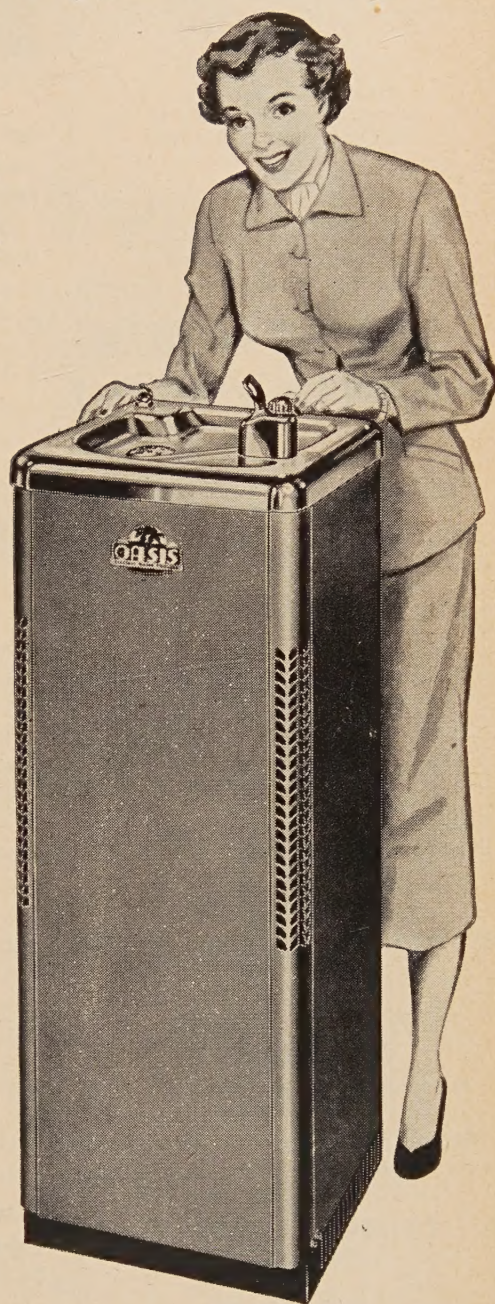


Take the "eye-wash" out of getting a drink

THE NEW **OASIS** *Water Cooler*

NO SPURT! NO SPLASH! NO SQUIRT!

- Here at last is a water cooler *guaranteed* to give you a cool drink with never a spurt, splash or squirt! The patented "Fountain" provides a constant, steady, self-adjusting drinking stream regardless of varying local pressure. Takes the "eye-wash" permanently out of getting a drink!
- The improved Oasis "Pre-Kooler" doubles the volume of cooled water available. And the exclusive Oasis fan-less condenser makes this the quietest water cooler on the market—no fan jangle.
- You can have Oasis quality water coolers in hand-operated or foot-pedal models. Complete line provides models with capacities from 3 to 20 gallons per hour.



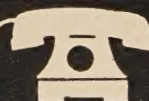
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Trends in FINANCE and BUSINESS

Job Market Best Since Last War For June Grads

than doffing academic robes and appearing, as promptly as possible, at company employment offices. So reports the Northwestern National Life Insurance Company whose annual employment survey indicates that college graduates, including those rated 1-A in the draft, are in greater demand than at any time since the last war. Many companies are hiring college-trained men until called by the armed forces, on the stipulation that their jobs, however briefly held, will be waiting for them after military service.

The nationwide survey indicates that graduating classes are running about 10 to 25 per cent smaller than last June, that employment demand is up 25 to 300 per cent, and that starting salaries average \$25 to \$50 a month higher than last year. Larger companies were jittery about the military status of prospective workers last Fall, the insurance company reports, but "are now taking the view that the present cold war situation may last for many years."

« « » »

Stock Dividends Upset Forecasts, Set New Record

Corporation dividends, which a good many market observers expected to decline this year from their record-breaking 1950 levels, have upset the predictions. During the first quarter of this year dividends on common stocks listed on the New York exchange rose to \$1,186,228,000—a 15.5 per cent gain over the same 1950 period. Of the 1,042 common stocks on the exchange, 801 or 77 per cent paid first-quarter dividends. Of these issues, more than

40 per cent made larger payments this year.

The first quarter dividend picture was rather erratic, however, with some industries outshining others by comparison with 1950. The biggest dividend rise occurred in mining shares which were up 44.2 per cent in the first quarter. Textile dividends which declined in early 1950 because of a business slump rolled up a 37.9 per cent gain this year. Other increases were automotive, 32.3 per cent; oil and natural gas, 29.3 per cent; iron and steel, 25.7 per cent; paper and publishing, 24.1 per cent; buildings, 23.0 per cent; and chemical, 22.8 per cent.

The largest percentage declines in first quarter dividend payments were in the amusement group, down 38.9 per cent; electrical equipment, down 20.9 per cent; financial, down 20.6 per cent, and shipbuilding and operating companies, down 17.2 per cent.

« « » »

How much defense work is going to small business? This red hot issue, which has prompted some legislators to demand that a Small Defense Plants Corporation be created, has also prompted a number of defense agencies to report to Congress on the current breakdown of defense orders. The Munitions Board figures that during fiscal 1950 about \$1.3 billion, or 24.5 per cent, of the annual total of prime defense contracts went to small business. During the first nine months of the current fiscal year, the board figures that small business received \$3.4 billion, or 21 per cent, of prime contract defense business.

Meanwhile, the Air Force figures it awarded 11 per cent of its total

(Continued on page 41)

AIR TRIP PRIZES SPUR SALES CONTEST

Companies Reward Employees With a Free Holiday Tour

By Frank C. Miller
(Travel Editor)

A relative newcomer in the vacation field—company paid vacation trips for meritorious employees—appears to be gaining increased popularity in the Chicago area and throughout the country, informed travel and transportation officials here. Attention will be focused on sales conferences.

air lines; travel agencies and resorts are going after this new travel potential. One air company has retained a New York expert for one year to give his entire time to developing this field.

As an indication of the growing program, one Chicago packing company last fall chartered a ship and sent 600 employees and in many cases their wives to Bermuda. Another Chicago manufacturer awarded 200 employees a week's vacation.

One reason more employers this year are said to be studying the vacation trip bonus is the wage control. If in many cases, they can not reward deserving workers with raises, they may be able to give them paid trips, separate and apart from the usual vacation.

The usual vacation trip averages seven days.

it, your wife goes along, too, all expenses paid.

Sales executives report that the trip incentive has worked well. However, the "vacation trip incentive" has now been broadened. Now some companies are offering free trips for individual safety records, for nonabsenteeism or good work attendance for production and for suggestions on how to improve operations. This program is being used by the steel-making in that sales-

had pretty good success with employing companies," said Benjamin Fox of American Airlines. "A vacation trip gift has for more appeal to a man or a woman than a cash bonus, or a clock."

James Harrigan of Trans World Airlines said the idea is finding wider appeal among business men. The reason is, he explained, that the award is not only a reward for the recipient's achievement, but it is doubly so.

New York electric company gave 150 employees a paid holiday in Florida for incentive. Westphal Inc., of Chicago; the Purina company of St. Louis; the Washington National Insurance company of Evanston; the Hot Point company of Chicago; the Electroflux company of Chicago; the Field Motor company of Detroit; and the Plymouth division of the Chrysler corporation.



Business Buys

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**Vacation Incentive Plan
for Very Important Persons**
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Use V.I.P. to stimulate production and sales contests, safety and economy drives. Use V.I.P. to raise morale . . . check absenteeism.

You set the goals or quotas. Then, Delta adds sure-fire incentive. You receive V.I.P. kits to cover your entire organization—colorful contest bulletins, posters, folders and travel literature to keep incentive high and sustained. All material is free of charge.

As prizes, Delta has available complete luxury-on-a-budget packaged vacations to Miami Beach and to glamorous foreign points such as Nassau, Havana, Jamaica. Or, Delta will set up custom made vacation trips for you to any point you desire.

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V.I.P. works for you . . . air vacations appeal the most to the most persons. Then V.I.P. gives you double value, for winners come back relaxed, refreshed, ready to go.



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Write today for sample V.I.P. kit, together with full details of vacation prizes and costs. V.I.P. costs are low, results high. Address V.I.P. Dept. Delta Air Lines, Atlanta, Ga.



General Offices: Atlanta, Ga.



DOING BUSINESS UNDER CMP

By Jack Robins

This Washington report tells how to get a CMP allotment and what to do with it

WASHINGTON this month is feverishly trying to arrange the shift of the U.S. economy on July 1 from the patchwork controls of "creeping mobilization" to full-scale operation of a Controlled Materials Plan. Although CMP has long been envisioned and has been in selective, partial operation for six months, it was inevitable that general imposition of the control program would be attended by confusion.

Several weeks prior to the May 31 filing date for applications for materials in the third quarter of 1951—the individual company reports on which theoretically, the quarter's allocations would be based—defense agency officials found it necessary to base initial allocations chiefly on guesswork. Probably not before the fourth quarter will allocations be based on actual statistics derived from business itself, and in any case the full activation of CMP will not be felt until late 1951 or early 1952. The time lag between application for scarce materials and delivery in

cases involving certain types of steel is as much as 150 days.

Meantime, business executives who have had to stumble through regulations as best they could, who want to make the job easier next quarter, and who have not yet considered how the change will affect their business, can profitably study the philosophy underlying CMP, how it operates, and what should be done with an allotment once it is received.

Involves Three Materials

CMP involves three materials: steel, copper, and aluminum. The theory is that by controlling these basic commodities, all others are automatically controlled—although indirectly. What manufacturer, for example, will produce white sidewall tires if he knows that, for lack of steel, no passenger cars will be produced? Obviously the use of rubber will follow the use of steel, adapting to the type of vehicle for which available steel is used.

The new CMP is much like the CMP of World War II with one major difference. This time there will be a "free area" in which civilian-economy producers will scramble for materials left over from CMP allotments. Though the

government halted wartime passenger car manufacture completely, this time there will be some production—as well as of other consumer durable goods which eat into controlled materials, such as refrigerators, washing machines, and vacuum cleaners.

How big will the "free area" be? That was one of the confusion of problems with which Washington officials wrestled on the eve of CMP. Last month reports were that 50 per cent of steel production and 40 per cent of copper and aluminum production would be left "free" while the remainder went under specific allotment. However, it is likely that the size of the "free area" will change from time to time.

It is in the controlled area, however, that defense producers will be interested. Under CMP, manufacturers will find themselves classified in two categories, A and B.

Class A will comprise products for military use, manufactured to custom specifications. Companies making them have government agencies for their customers. For the things they turn out—guns, ammunition, tanks, military air planes—there is no normal civilian market. They will have their

← BUSINESS WEEK photo by Rus Arnold

Capacity audience of 2600 in Chicago's Orchestra Hall hears CMP explained by four NPA experts at meeting sponsored by the Chicago Association of Commerce and Industry and the Illinois Manufacturers Association.

orders before they begin manufacturing. All products in Class A will be wholly under CMP allotments.

Class B will include products of common use, of the type that is usually manufactured competitively in advance of orders. Generally speaking, they can be described as components, shelf goods, and mass products. The B list will include many household articles which will also be needed at military installations and for military equipment, like radios, tools, furniture, stoves, electric light bulbs.

CMP allotments will take care of the materials requirements of these products, but Class B will also include other items, such as passenger cars, refrigerators, metal household furniture, and many household appliances which will not get allotments but will have to compete in the "free area" for their materials.

Makers of Class B products will need an Official CMP Class B Product List (obtainable from any NPA field office) as a basic document in the preparation of application forms. It gives some 4,000 articles which use one or more of the controlled materials. Manufacturers must file applications for all products on the list except those marked with an asterisk, which are the "free area" items.

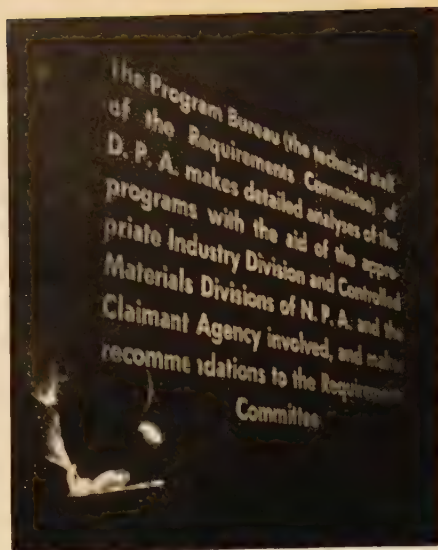
Typical "free area" items: upholstered furniture, shoe trees, telephone booths, venetian blinds, safety razors, garbage cans, flashlights, paper clips, beer barrels, cigarette coin machines, washing machines, bicycles, watches, sports equipment, permanent wave machines and barber chairs.

Getting An Allotment

Here is the procedure by which a Class A manufacturer gets a materials allotment under CMP:

He files an application on Form CMP 4-A—a two-page form (like others, obtainable from NPA field offices) which must be prepared in four copies. Many companies have just finished filing such forms to obtain allotments for the third quarter, which will be the first under CMP operation. Others, as they get new government business, will be asking for increases.

On this form the Class A company must give such information



BUSINESS WEEK
NPA spokesman uses slide blow-up to clarify a point at Chicago meeting

as the name of the government agency with which it has its contract, the contract numbers, the products it makes, the name and title of its official representative, and the proposed monthly production schedule for 18 months in advance.

Allotment Procedure

Finally, the company must list its materials needs, by quarters, for one year ahead for the following: carbon steel, including wrought iron; alloy steel; stainless steel; copper and copper-base alloy brass mill products; copper-wire mill products; copper and copper-alloy foundry products and powder; and aluminum.

The Class A manufacturer is responsible for Class A sub-contractors. They, too, make out applications on Form CMP 4-A and submit them to him. He sends them, with his own, to the appropriate government claimant agency.

Assuming the applicant is a tank maker, his applications go to the Defense Department. In that agency his requirements are consolidated with those of other tank makers and a comprehensive tank production program is submitted to the Defense Production Administration.

It is in DPA that the overall defense demand for controlled materials is matched with supply, programs are coordinated and formally authorized, and overall materials allotments are taken out of the whole national supply. Once the tank production program is

authorized, it goes back to the Defense Department. Here our Class A tank maker's piece of pie is cut out of the whole. From the Defense he gets two things:

1. An "authorized production schedule" telling him how many tanks he may produce in the coming quarter.

2. An allotment of the actual metals needed, in their various forms and shapes. The allotment is for one quarter at a time, and is always accompanied by an "authorized controlled materials order."

The Class A manufacturer thus completes the first step in following the red tape required by CMP. He must, however, pass on to his subcontractors the allotments for the parts they will supply him.

The second step is using the allotment. This is much simpler. Using his allotment number, the manufacturer places an order with any producer or distributor of the material. The materials supplier must accept it unless it puts him over his NPA production ceiling, in which case NPA will direct the manufacturer where to place the order. The order also must comply with "lead time" regulations: 45 to 150 days in advance of the delivery month in the case of steel, according to type; seven to 60 days in the case of copper; and 60 days for aluminum.

Then comes the rewarding day when the Class A manufacturer, having satisfied all the procedures and waited for delivery, can begin making tanks under CMP.

How does the Class B manufacturer fare—say a maker of electric motors? For him the red tape leads in and out of Washington in much the same fashion, but the big difference is that he takes no responsibility for his subcontractors, who file their own applications.

"Class B" Applications

The Class B man begins — as many have just done—by filling out Form CMP 4-B. This four-page form is twice the length of the Class A application. The Class B application may go either to a claimant agency or to an industry division of NPA; in the case of a maker of electric motors,

(Continued on page 34)

TARGET: The Mass Market!

Financiers of the 'twenties would

shudder at modern security advertising — but the results are superb!

ALL THE tricks in the well filled bag of the advertising profession are being used avidly by investment bankers and brokers in a revolutionary new approach to the merchandising of securities.

Only a short while ago, investment bankers would have shrunk in horror from any departure from their "tombstone" style of advertising. They were content with a dignified "Investment Securities," or perhaps "Bonds and Stocks," along with their name and address. Today these same bankers and brokers have thrown conservatism to the winds. They go in for humorous cartoons, pictures of pretty girls, fancy art work, and headlines that would have made their predecessors of the 1920's think that madmen had taken over Wall Street and La

By DANIEL F. NICHOLSON

Salle Street. "Let's Pretend We're an Ostrich," says the headline of one advertisement, run by The Ohio Company, Columbus, O. The ad includes a drawing of an ostrich with its head tucked safely into the ground, and some appropriate comment on the wisdom of learning facts. Consider the A. C. Allyn & Co. advertisement illustrated by a piggy bank pig pulling a plow (unintended alliteration),

with the eye catching line: "Is Your Money Working Hard Enough."

Imagine the reaction of a banker from the past to such eye catching advertising headlines as these: "Another Dividend for Daddy," "How to Gain from a Loss," "Advice to Doctors," "How Do People

(Continued on page 23)



You Don't Need a Top Hat

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Regardless of the amount of money you want to invest, one of our staff members will be more than glad to discuss the various possibilities with you . . . to put his experience and his factual information to work for you *without obligation*. Telephone us, or stop in at our office. You'll find our interest in your specific problem is genuine.

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A lot of people think there's some mystery about stocks and bonds. There isn't. Everything about the business can be translated into everyday, common-sense terms that anyone can understand.

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Three examples of the new style advertising for securities which is replacing traditional "Tombstone" copy.

SQUEEZE ON MANGANESE

Metallurgists are now convinced they have solved a critical shortage problem

AMERICA'S steel industry would collapse overnight were it denied manganese. Despite this, the United States has long depended upon foreign sources of manganese, many of which could be cut off momentarily in the event of global war. Today, however, there is an excellent chance of nullifying this industrial Achilles heel. The reason: metallurgists now believe they are on the threshold of rescuing the nation, once and for all, from its dependence upon foreign manganese.

A coal-black mineral in its most common natural state, manganese is used by the steel industry to draw oxygen and impurities like sulphur and phosphorous from molten metal. Without manganese, steel would be intensely brittle, cracking the moment someone tried to shape

it into a car fender or tank turret. When manganese is added in sufficient quantity to remove oxygen and impurities and still be left over in the finished steel, it also imparts a toughness that's indispensable in modern warfare. The steel in armor plate, gun barrels, and even the teeth on power shovel buckets must contain upwards of 10 per cent manganese.

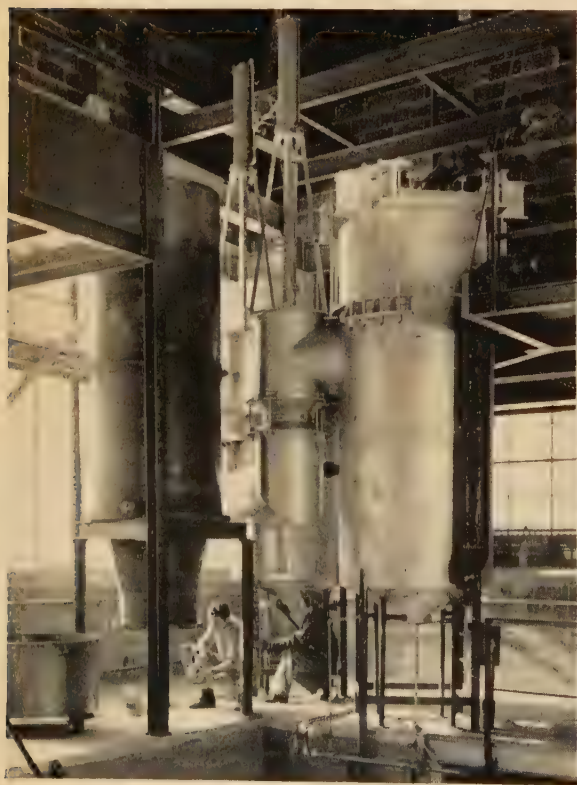
Domestic Exhaustion

Domestic soil is almost completely void of high-grade manganese ore normally used by steel mills, because what little supplies we did have were almost completely consumed in the last two wars. The nearest domestic mines have come to satisfying the nation's manganese appetite was in 1944, when they supplied 248,000 tons of the ore —

some 1,345,000 tons less than total requirements.

Seldom, in fact, has U. S. manganese output exceeded more than 10 per cent of steel mill needs. In 1950, domestic mines dug only 139,000 tons of the required 1,630,000 tons. Thus, the heavy dependence on foreign sources.

The world's chief manganese producer is the Soviet Union, which until recently sent more than twice as much of the mineral to this country than the next largest supplier. In 1948 Russia supplied 427,000 tons, or 35 per cent of the 1,538,000 tons we consumed. But late that year, Soviet exporters suddenly halted all but token shipments to the U. S. In 1949, imports plummeted to less than 82,000 tons and they have been declining ever since.



(Left) Experimental blast furnace at Bureau of Mines' Pittsburgh experimental station used in seeking better methods of recovering manganese from open-hearth steel furnace slags. Dark cylinder is furnace; silver cylinders are heating stoves. (Below) Tapping slag from manganese matte smelting in an electric furnace at Bureau of Mines' Boulder City (Nev.) experimental station.





Removing overburden along a strike of a manganese vein of lower grade at government's Manila, Utah, project.



Bureau of Mines' pilot plants at Boulder City, Nev., where manganese ore 'up-grading' projects are conducted.

The Russian action shocked steel mill operators and U. S. military strategists into prompt action. Here was a clearcut threat of what could become an enfeebling strangle-hold on a modern war machine.

Facing the immediate problem of keeping blast furnaces fed, steel makers turned quickly to smaller manganese suppliers. To get additional ore out of the ground, they offered to pay more for manganese. Just before the Soviet action, ore containing one per cent manganese cost about 45 cents a ton.* By the end of 1950, the price had more than doubled.

But the price rise had its compensations. In 1949, India shipped U. S. mills 429,000 tons of manganese, more than double its 1948 shipments. In the same year, the Gold Coast almost tripled its 1948 output of 133,000 tons. Union of South Africa shipments in 1949 jumped to 354,000 tons from 216,000 tons during the previous year.

Wartime Crisis?

Thus, Russia's action was offset by increased peacetime shipments from smaller suppliers. But what about wartime shipments? Could not snorkel-equipped submarines, capable of remaining underwater weeks on end, easily pick off manganese-hauling freighters? To military strategists, more was needed than merely stepping up peacetime imports from non-Soviet countries.

To U. S. metallurgists came this

urgent assignment: find a way to free the country's steelmakers from their dependence on foreign manganese. Bureau of Mines metallurgists, who had given the problem some thought in World War II, swung into a vigorous two-pronged attack upon the problem.

Ore Up-Grading

One approach headed them toward domestic deposits of low-grade manganese ore, chiefly in Arizona, Nevada, Minnesota and Maine. The other approach reached to the backyards of the steel mills themselves, to the heaps of "slag" wastes. Here, in the seven or eight million tons of open hearth refuse that is annually discarded, metallurgists saw enough manganese, if it could be reclaimed, to supply half the nation's emergency needs — the equivalent of about 900,000 tons of imported ore!

Manganese reclamation is, however, a monumental problem. Much of the manganese in slag gets into the waste heap in the first place by taking phosphorous from molten steel. The puzzle is how to separate the phosphorous from the manganese, for which it has tremendous affinity. As for the low-grade domestic ores, the problem is how to get 12 per cent ores upgraded to at least 48 per cent.

After hammering away at these problems for two years, metallurgists believe they've progressed far enough to proclaim the U. S. independent of foreign manganese. At least to the extent that if foreign shipments were cut off tomorrow, the steel industry would be in no



Typical open-hearth slag used to feed experimental furnace pictured on page 16.

danger of a shutdown or slowdown. Bureau of Mines Director James Boyd told a Congressional committee recently that, if foreign manganese were suddenly lost, this country could have its own manganese-producing facilities in full swing before current stockpiles of the mineral were exhausted.

The two projects — upgrading domestic ores and recovering manganese from slag — are not being thrown into full operation at once. The principal reason for this is that government metallurgists figure that if they keep plugging away, they can develop simpler and cheaper ore-upgrading methods.

Meanwhile, initial steps have been taken to increase domestic manganese production in the near future. Recently the General Services Administration signed a con-

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* NOTE: Manganese prices are quoted in terms of an unrealistic "one per cent ore." To calculate the price of 48 per cent ore, for example, the "unit price" is multiplied by 48.



A new "civilian requirements" agency will seek steel for non-war needs ranging from school construction . . .

OCR: WASHINGTON'S NEW CIVILIAN CHAMPION!

By MITCHELL GORDON

MOBILIZATION officials, whose military program is beginning to hit its stride, are now training a contender to champion the civilian's cause. That's so the military won't willy-nilly take scarce materials away from civilians. Also, it's to see that what is left for civilians is apportioned fairly and in a manner that will keep civilian production high.

The civilian's champion is a new government agency within the National Production Authority, known as the Office of Civilian Requirements. Its assignment: nothing less ambitious than the maintenance of the highest possible level of civilian production consistent with defense needs.

That was the role pinned on OCR by NPA officials themselves, when they began organizing the agency. Here are a few of the functions given to OCR when the agency was officially launched on February 19, 1951:

First, to determine what goods and services—and how much of each—the economy will require in forthcoming quarters.

Next, to estimate what's needed in the way of raw materials, labor and other production facilities to get these goods and services produced. Then, to measure those requirements against supplies after allowing for the military's share and find out where shortages appear most imminent.

Goal: Equitable Distribution

Suggest ways for heading off those shortages, especially the most serious ones. Also, make sure that what is produced is distributed equitably among sellers. Be on hand, too, at the drafting and administering of government control orders aimed at reducing consumption of scarce commodities to see no one is unjustly hurt and that the economy is not unduly impaired.

In general, try to keep the mobilization giant from stepping on too many civilian feet.

To carry out these functions—and those related to them—OCR will have a staff of about 120 people by the end of June. Officials of the agency believe that will be enough. Their hope is to get men so well



Korth Photos

to cloth for harassed clothing makers

experienced in their respective industries that they won't need large staffs.

Boss of the new agency is Lewis Allen Weiss, a retired Los Angeles business executive who was board chairman of the Mutual Broadcasting System from 1947 to 1949 and, until he retired in 1950, was also president of several other broadcasting companies on the West Coast. Weiss has not been unnerved by the sweeping responsibility of overseeing the health of the civilian economy. But relatively few people have heard of his agency so far. So his letter load is still manageable, and his waiting room still has an unoccupied seat now and then.

Business is likely to pick up, however, after OCR's shingle has been out a little longer and after the effects of mobilization are more fully felt.

But, Weiss explains, "We could weed out weak complaints rather quickly if we had to. The other day a group of diamond jewelry manufacturers came in pleading for permission to keep on using platinum, though NPA had just taken steps to divert more platinum to defense purposes. We didn't spend much time with the jewelry people—simply told them there wasn't much we could do for them."

Who is welcome then at OCR? "Just about anyone," an official replies. The agency will listen to the problems of a steel-hungry appli-

(Continued on page 44)

Does the Public Believe It?

Use Of Five Principles Will Improve Business Believability Score

By DR. CLAUDE ROBINSON

President, Opinion Research Corp.



Dr. Claude Robinson

Acme

serving private greed. Half of the clergy say that management is more interested in profits than in public service. Two-thirds of workers say companies won't pay higher wages of their own accord — they have to be forced. Half of the public say that companies would like to break unions if they could. Fifty-four per cent say companies are against price controls; but a fifty-seven per cent majority say that companies are for wage controls because that will help them make bigger profits.

So you don't have to look very far to find the negatives in this picture. It might be provocative to our thinking to focus exclusively on the negatives, but this would not be very realistic, for there is a wealth

of interesting and revealing experience on the positive side.

Take a bitterly fought strike, for example. Strikes frequently poison the well of good feelings between company and the public in the plant community. When a strike is in progress, do the people close their ears? On the contrary, they listen avidly to what management people as well as labor leaders have to say. Studying the community reaction in a great electrical manufacturing center during the course of a strike, we found 81 per cent of the community residents had read company ads in the newspapers stating the company's position. We found up to 92 per cent of the employees involved reading the news of the strike. What is more meaningful, we found that readers of these ads were able to play back the ideas expressed in the copy — namely, the number of dollars of wages lost during the strike; the size of the company's wage offer, etc. And we found higher awareness of what the company had to say than what the union had to say — probably because the company took more trouble to get the story out and repeat it.

Clergy Wants Facts

The clergy of the nation, we know, are ready and waiting to hear from business. Seventy-seven per cent of the clergymen of all faiths say that businessmen should be doing more to acquaint them with the problems of business. When the company brings clergymen to the plant, shows them around, and tells them what is going on, we find ministers almost invariably enthusiastic.

One of the greatest delusions that currently makes the rounds is that labor leaders have a one-way track to the workingman's mind. According to this theory, what the union leader says, the

NO COMPANY gets very far in public relations unless people believe what it says.

When we talk about believability, we are not thinking of blind unquestioning acceptance of the views of business leadership — 100 per cent faith in the universal omniscience of businessmen — rather we are asking: Do people listen to businessmen with an open mind and a reasonable measure of belief in the veracity and wisdom of what they say?

To some skeptics the answer to the question, "Is anybody listening — and believing?" is a big "NO." There is a problem here — of that there can be no question. Business sponsorship of an idea by no means inspires automatic acceptance. FORTUNE MAGAZINE demonstrated this neatly by clipping a cartoon chart, "The Four Goals of Labor" from a CIO newspaper; but instead of crediting the statement to the CIO, it was attributed to the NAM "News Letter." When twenty CIO members were shown the clipping and asked if they thought it was a fair presentation of labor's goals, four grudgingly said "yes"; two said they didn't know; and 14 damned it as "Patronizing," "Loaded," "Paternalistic," and "Makes me want to spit."

Misinformation On Profits

In a study for the Controllershship Foundation, my organization found 45 per cent of the people saying that most companies actually make more profits than they report. When we displayed a company statement indicating a loss of several million dollars, 34 per cent said the report of loss was probably untrue.

In study after study, we have found a stubborn suspicion of the motives of business management — management is said to lack a humanitarian sense; it is interested not in serving the public, but in

SPEECH OF THE MONTH

Made before the Gas Appliance Manufacturers Assn., April 17, 1951.

worker believes. What the businessman says, the worker disbelieves.

This is not what the workers themselves tell you when you visit them in their homes and talk with them. This fact comes out in many ways. Testing company and union publications side by side with workers that received them both, in one study we found 32 per cent saying that they can believe what they read in the union paper; but fifty-eight per cent saying they can believe what they read in the company publication.

In another study in a different industry, 56 per cent of employees said they could believe what they read in the union publication; but 82 per cent said they could believe what they read in the company publication.

"From Missouri"

It is an old American custom to examine what anybody has to say with the attitude of "I am from Missouri." This applies to what the union leaders and politicians have to say as well as the pronouncements from the management side.

So research appraisal of the situation on believability would appear to line up something like this: Believability is very much a problem. Businessmen are believed more in some areas than in others. Pretty generally, people are willing to listen and weigh what business has to say. The problem of believability can be solved and is being solved when companies work at it. Finally the potential power of businessmen in inducing public belief in what they have to say is probably much greater than most people suppose.

How, then, does one achieve believability for business communications? We have talked with a number of competent public relations practitioners about the question of believability and have searched our own research records for insight on this problem. Out of this effort come five operating conceptions which, in the present stage of our understanding, are thought to contribute to believability.

Talk to people and continue talking to them.

Unless you call a man a so-and-

so, the very act of communication itself helps build conviction for what you say. The act of communication flatters a person's ego. It indicates to him that you are interested in him and care what he thinks. The fact that you are willing to talk frankly and openly also suggests that you have nothing to hide; that what you are saying is true.

Some years ago in a study for the Oil Industry Information Committee we stumbled across the conception of the "opinion vacuum" which gives dramatic illustration of this point. On one half the sample we asked people, "What is your idea of how retail prices of gasoline and oil are decided?"

Fifty-six per cent said they did not know; 31 per cent said by competition; 13 per cent said by collusion.

On the other half of the sample we asked the question this way: "Which of these statements comes closest to your idea of how gasoline and oil prices are decided:

The oil companies get together and set prices for their products; or

Each company sets prices to meet competition?"

When phrased this way,

Fifty-seven per cent said that the oil companies get together and set prices for their products; 31 per cent said that each company sets its own prices to meet competition; and 12 per cent said "don't know."

Vacuums Will Be Filled

In other words, when people have no definite opinion about a subject, an opinion vacuum exists which is easily filled by the first plausible idea that comes along. In this case, 56 per cent of the people said they did not know how retail prices of oil and gasoline are derived: but when it was suggested that the answer might be that the oil companies get together and set prices for their products, this idea released the latent and unexpressed suspicion.

One of the standard conceptions in public relations is that good deeds do not necessarily speak for themselves. Good deeds must always be interpreted or people may accuse industry of doing bad deeds. Every public relations man understands that it is necessary to keep

a constant flow of interpretive material to his public to achieve understanding of the facts with which the company must deal, and the companys' interpretation of these facts. This is more true now in a period of mobilization for defense when there is an extraordinary amount of "snafu" in the conduct of business. This principle of the need for continuous interpretation is easy to agree to in theory, but more difficult to carry out in practice. For example:

The great problem in the country today is productivity. If we are now to have guns and as much butter as we had before, we must produce goods more efficiently. Yet when we examine a representative sample of plant publications, we find that only one out of ten is making an effort to interpret the problem of productivity to employees.

Repetition

When the public relations profession sets up the first criterion, namely, talking to people and continuing to talk to them, it is assumed that repetition helps to establish believability. Hitlers' technique of the Big Lie was based on this principle. If it works for the Big Lie, it should work even better for the Big Truth, for the simple reason that people can verify the Big Truth repeatedly in daily experience.

If our first criterion was talking to people, the second criterion must be talking with people—getting their views, establishing two-way communication. Talking with people probably establishes even more confidence than talking to people. Many people have asked me how we researchers get away with taking so much of the public's time answering questions. The answer is quite simple. We tell them that their opinions are important and that we have gone to special trouble in seeking them out to get their views. Most researchers, I think, would tell you that the problem of shutting off the interview is just about as great as getting the interview.

When we think about two-way communication, the concept of participation comes strongly to the fore. People have more confidence

(Continued on page 38)

MISSION IN JAPAN!

NEXT MONTH Commerce Magazine begins a series of two vitally important articles discussing opportunities for Japanese-American business cooperation. The author, Howard F. Van Zandt, is the third generation of a Chicago family to live extensively in the Far East. Mr. Van Zandt has just returned from five years in Japan as a civilian advisor to Gen MacArthur. He lived in Japan for many years prior to World War II, speaks, reads and writes Japanese, and has an intimate knowledge of Japanese customs, ambitions and business methods. In his double-length article, Mr. Van Zandt discusses Japan's all-important business and political role in the over-populated, under-developed Far East, and suggests specific ways by which American know-how and experience can fortify our most important democratic friend in turbulent postwar Asia.

Target: The Mass Market!

(Continued from page 15)

Get Rich?," "Thank You Senator Kefauver," and "How Much Did You Make on Your Money Last Year?"

Times have changed since the 1920's and a lot of investment bankers and brokers who didn't change with them are not in business today. The tombstone advertisement served its purpose well when most of the new capital needed for business and industry could be obtained from wealthy individuals and a relatively few others who could distinguish between investment, speculation, and a three-horse parlay. High taxes have made the wealthy and the high salaried much less important as sources of investment funds. Even without astronomical income tax rates, these investors probably could not have supported the enormous growth of American industry in the last decade. Bankers and brokers are now going after the smaller investor, and hence the new style in advertisements. With their stocks and bonds they are competing for dollars with the automobile manufacturer, the refrigerator maker, the television manufacturer, etc., and their advertisements must be fully as attractive. Long years of war, deficit spending, and inflation, have placed extra dollars in the pockets of millions of individuals. As one banker wrote recently, "today prac-

tically everyone has some money." And so, the advertisements are aimed at the mass markets for money.

It's no coincidence that the firm that does more stock brokerage business than any other in the nation is also generally credited with being the biggest advertiser. The firm, Merrill Lynch, Pierce, Fenner & Beane, apparently overlooks no one. The schedule for one advertisement alone in the months of May and June, 1951, called for insertions in the following publications: Time, U. S. News, New Yorker, Forbes, Financial World, Magazine of Wall Street, Newsweek, Atlantic Monthly, The Reporter, Ivy League, Saturday Review of Literature, Harper's, California Fortnight, Westways, Cue, N. Y. Times Magazine Section, This Week, Shreveport Magazine, Nation's Business, Parents' Magazine, Raleigh State, Barron's, True, and the New Republic. Another ad was scheduled for June in Successful Farming, Farm Journal, and Farm Quarterly.

The Ohio Company, a consistent local advertiser, ran Christmas ads suggesting that stocks and bonds would make ideal gifts. The results were reported to the Investment Bankers Association of America as follows:

"The ads carried coupons and some sixty inquiries were received.

MOHAWK CARTAGE COMPANY

1303 N. MOHAWK
"NEAR NORTH SIDE"

General Cartage Contractors

Pool Car Distributors

PHONE **MI**chigan 2-5031
MIchigan 2-0707

Fast Efficient Service

Contract Work Is Our Specialty

- Hourly • Daily • Weekly
- Monthly Basis

- Any size truck available
- Trucks lettered with your name
- Qualified Drivers - Bonded - Insured

We'll Solve Those
Trucking Problems

ALL SIGNS POINT TO

CHICAGO ELECTRIC

For
ELECTRICAL POWER
EQUIPMENT

• Rebuilt

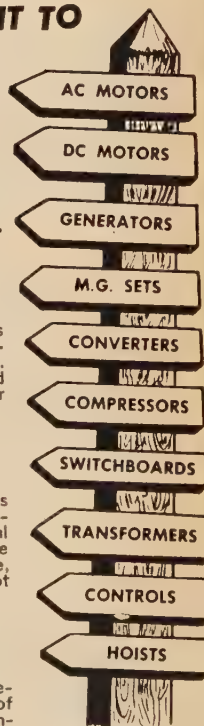
We carry large stocks of all types of **guaranteed** rebuilt equipment. Units of every size and description to fill your requirements.

• New

As stocking distributors for leading manufacturers of electrical power equipment, we offer you a wide choice, local stocks and prompt delivery.

• Repair

Our repair and rebuilding facilities are of the finest in the country. When you need help to keep your plants running and producing be sure to call.



PHONE
CANAL
6-2900



CHICAGO Electric Co.

1318 W. CERMAK RD.
CHICAGO 8, ILL

Only two were worthless — mere curiosity seekers. Several of the others did not purchase securities, but were seriously interested and are potential customers.

"There were a half dozen substantial sales traceable directly to the coupons.

"Of much greater value was the word-of-mouth advertising we got. Proposing securities for gifts in department-store type advertising was so widely talked about that one newspaper, which did not carry the ads, picked it up as the lead of a full-page feature on Christmas gift ideas. None of the reaction we got was ribbing — scores of persons mentioned the gift idea to members

of our organization as a splendid suggestion.

"Most important of all the results, for our company and for the industry, is the fact that many newspaper readers were impressed with the fact that securities are not formidable — that any one can own a share in industry without being a millionaire — and that buying a bond is about as simple as buying a shirt."

Financial men, or their advertising counsel, or both, are aware of the value of timeliness in advertising. The day after President Truman made a speech on the Korean war last July, Merrill Lynch, Pierce, Fenner & Beane ran

an advertisement in more than 40 newspapers. The ad was headed "If You Own Stocks—" and it presented an excellent discussion of the position of stocks under wartime conditions.

During Kefauver Committee hearings, Robert W. Baird & Co., Milwaukee, Wis., came out with an advertisement headed "Just a minute, Mr. Senator, We'd like to testify." This advertisement was inspired by the testimony of one witness who, when asked if he knew of any homes broken by gambling, answered: "No more than homes broken by playing the stock market." The Baird firm presented a discussion of the stock market's essential function, and demonstrated that it had nothing in common with gambling.

Inflation is currently an economic problem of the first magnitude to everyone, and it has special significance to those who have accumulated some savings. Investment bankers have given much attention to inflation in their advertisements. A. C. Allyn & Company published an ad entitled "How to offset inflation with common stocks," and offered an informative booklet. The ad appeared during the first two weeks of March, and produced, up to March 22, more than a thousand prospects in the company's Chicago office alone.

Amazing Response

The principle that advertising pays is presumably well established, but some financial houses are bewildered by the response they get. One company reported "to our surprise we received an unusual number of replies." Even the William R. Staats Co., a busy advertiser, was rather amazed at the response to an ad that it didn't consider particularly outstanding. The Staats company has used a wide variety of advertisements, including institutional copy aimed to bring in corporate financing business, as well as ads directed to the individual investor, and has been refreshingly frank in discussing the effectiveness of its various efforts. With respect to an ad featuring the stock of the Kellogg Company, the banking firm commented: "This may have sold a lot of corn flakes, but it certainly did not sell any securities." Another ad, headed by an inch-high "6%," brought in more than 500 replies.

INDUSTRIAL FINANCING

Well-established manufacturers will find it advantageous to obtain financing by long term mortgage or by Sale-lease plan. Let us help you.

Here are a few types of businesses we have aided with Industrial Financing directly or through their banks

PRINTERS
RETAIL STORES
ELECTRICAL GOODS
LIGHT MANUFACTURERS

TOYS
CANDY
PERFUME
DAIRY PRODUCTS

BAIRD & WARNER

215 No. Dearborn St.

Central 1855

SHEETS • STEEL • PLATES

Hot Rolled • Pickled • Cold Rolled

STRIP • BARS • BAND STEEL

SHEARED TO SIZE

We have PICKLING and Oiling facilities

BRIGGS & TURIVAS, INC.

Blue Island Telephone—Blue Island 2700

139th and S. Western Ave.

Blue Island, Ill.

CHICAGO Telephone—COMmodore 4-1420

A good idea of the extent to which the financial business is taking to aggressive advertising is afforded by the series of "Reproductions of I. B. A. Member Firm Advertisements" published by the Investment Bankers Association of America. In July, 1949, Joseph T. Johnson, chairman of the I. B. A.'s Public Education Committee, wrote to member firms and invited them to send in samples of their advertisements for reproduction.

Advertising Awards

In September, 1950, the first issue of the reproductions bulletin was published. It contained 17 pages of reproductions. Member firms liked this booklet for the ideas it gave them and because it enabled them to check their own advertisements against those of other bankers in every part of the country. More ads began to pour in, and five more issues of "Reproductions" have been published. The latest, dated May, 1951, contains 72 pages.

The I. B. A. is not alone in encouraging its member firms in their advertising and other promotional, educational and merchandising programs. The Bond Buyer now makes monthly and annual awards for "originality, effectiveness and leadership in advertising municipal securities." Standard and Poor's, publisher to the financial profession, will award this year an Advertising in Action trophy for the best advertising and promotional program by a financial firm. The board of judges will be Erwin W. Boehmler, educational director of the I. B. A. and editor of its "Reproductions" bulletins; James P. Conway, partner in the financial public relations firm of Newey and Conway; John C. Madden of the advertising firm of Edwin, Bird, Wilson; Lawrence G. Chait, 100 Million Club; Henry Hoke, Reporter of Direct Mail Advertising; and Cecil MacCoy, vice president, public relations, New York Stock Exchange.

Advertising by financial houses is not confined to newspapers and magazines. A number have used radio, and a few have experimented with television. Bateman, Eichler & Co., Los Angeles, became the sponsor of a half-hour program of radio music early this year. The

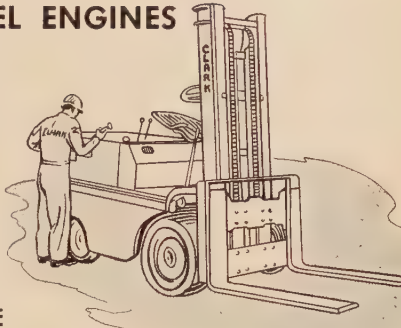
authorized
CLARK Industrial TRUCK
PARTS and SERVICE STATION

**COMPLETE REBUILDING FACILITIES
FOR ALL MAKES OF INDUSTRIAL TRUCKS &
GASOLINE & DIESEL ENGINES**

**TRUCKS LEASED
FOR LONG OR
SHORT TERMS**

*Emergency Service and
Periodic Lubrication
In Your Plant*

PICK UP & DELIVERY SERVICE



Phone
HU dson 3-8410
Lift Truck Service Company
6919 S. HALSTED ST.

Complete Insurance Service in **CANADA**

The same complete underwriting counsel, engineering and claim service characteristic of our service in the United States is available throughout all the Provinces of Canada. If your company has interests in Canada, you are invited to investigate the advantages to be gained through our services. Write for information on your business letterhead to any one of our offices listed below.

MARSH & McLENNAN
INCORPORATED

Insurance Brokers

CONSULTING ACTUARIES • AVERAGE ADJUSTERS

231 South LaSalle Street • Chicago

Chicago New York San Francisco Minneapolis Detroit Boston Los Angeles Pittsburgh
Seattle St. Louis St. Paul Duluth Indianapolis Portland Superior Cleveland
Buffalo Columbus Phoenix Vancouver Toronto Montreal Havana London

program includes five minutes of international and financial news, and 1½ minutes devoted to a discussion of investments and how they can benefit the individual. The company reports that the comments and responses to the program have been excellent.

Fairs, exhibits and other events where crowds gather have caught the eye of the financial people, and a number have established booths to explain the operations of a brokerage house or to provide other types of investment information.

State and county fairs where prosperous farmers congregate have been especially attractive and productive of substantial new business.

For many years investment bankers and brokers have sent letters, studies, pamphlets and other printed material to customers and prospects, but this activity has now attained enormous proportions. The fifth in the series of "Reproductions of I. B. A. Member Firm Advertisements" was devoted exclusively to mailing pieces — folders, booklets, broadsides, market letters, self mail-

ers, quotation sheets, novelties, and what not. These mailing pieces range from blotters to elaborate brochures printed in multiple colors and profusely illustrated with fine art work and photography.

Merrill Lynch, Pierce, Fenner & Beane, last year published more than 5,000,000 separate pieces of literature, for which the printing bill was \$200,000. The company's most popular publication, "The Investor's Reader," reached a circulation of 82,000.

Pamphlets Popular

Millions of Americans thirst for knowledge about investing. Bankers have discovered that an advertisement or mailing piece that offers to send an informative pamphlet are particularly effective. Many investment bankers are providing education for investors in the most direct fashion — by lecturing to clubs, students, special groups gathered to hear about stocks and bonds, and to other assemblages. This sort of thing has been going on for a long time, but it apparently is growing faster than ever. The First Trust Company of Lincoln, Neb., inaugurated a "forum" on investments, for women, in the latter part of 1950. The demand for admission was so great that it was necessary to hold two meetings a day, limited to 250 persons at each meeting. "The first series was such a success that we are repeating the forums in January," E. M. Hunt, vice president, investment department, reported last Fall. "We now have a full registration of over 500 women for the second series. In addition to this our newspaper advertising went into the outstate area. We have had so many requests from various parts of the state that we are planning a repetition of this forum in several of the cities in other parts of the state. This is our first experience with this type of program." A Philadelphia firm receives groups of high school seniors four times a year in its office, "We are appalled at the ignorance of most of these young men in relation to security markets," says a senior partner. "It seems to me," he adds, "there is a great lack in our educational institutions in that there is not given a course in elementary finance."



Going on a business trip?



Why not take this friendly tip?



The Know-It-Owl says:

LOOK in the

RED BOOK with YELLOW PAGES

- FOR • AIR LINE COMPANIES
• RAILROADS
• BUS LINES
• AUTOMOBILE RENTAL
• HOTEL REPRESENTATIVES

The **RED BOOK** is Chicago's Classified Telephone Directory
Outside Chicago see the **YELLOW PAGES** of your local telephone directory

Few high school seniors would be likely to make the error committed by a service group which invited James E. Day, president of the Midwest Stock Exchange, to speak, and sent the invitation to the Union Stock Yards, Chicago.

The friendly and informative advertisements of the brokers and investment bankers, the breezy market letters, the novelty mailing pieces, and the solicitation of business by sponsorship of radio and television entertainment, are marks of a new era in merchandising securities — the era of the small investor. The little fellow, who makes up in numbers and therefore in aggregate financial power what he lacks in individual wealth, is being catered to. For final, conclusive proof of this, take note of the growing number of investment firms which now remain open on Monday evenings, "shopping night," to accommodate the saver who cannot leave his job during the day to discuss investments.

Squeeze On Manganese

(Continued from page 17)

tract with Manganese, Inc., an independent mining company in Henderson, Nevada, calling for the government to buy 100,000 tons of manganese a year for seven years. The company hopes to reach that output level by the middle of next year, producing its manganese from ores near Three Kids, Nev.

This production alone will nearly double the nation's current manganese output. Last year U. S. mines shipped 139,000 tons of manganese, and this year's production isn't expected to get much above 150,000 tons. Until now, domestic manganese has come from higher-grade ores, chiefly in Montana, which produced 107,000 tons last year.

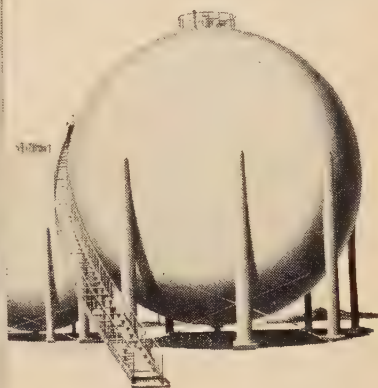
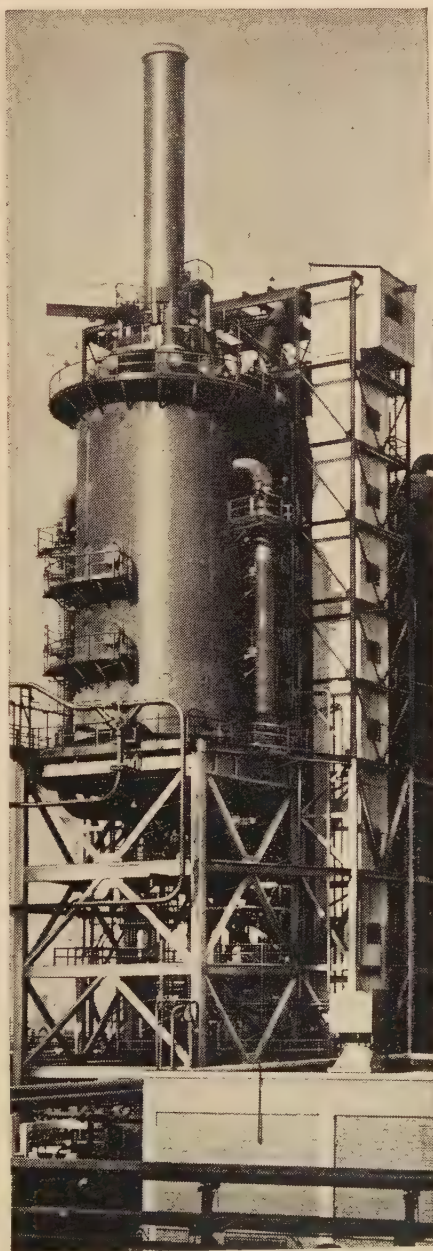
To promote the drive aimed at reducing the cost of upgrading poorer domestic deposits, Congress last September appropriated \$600,000 to the Bureau of Mines for the construction of a pilot plant at Boulder City, Nev. Work on the plant began immediately and, upon completion, it will treat some 50 tons a day of the 10 to 12 per cent ores dug from Artillery Peak, Ariz., site of one of the nation's most abundant low-grade deposits.

At the same time, Congress gave the bureau another \$250,000 to construct a pilot plant for slag research. Thus far, most federal research has relied upon a small electric furnace in the bureau's Pittsburgh laboratory. The new test plant, also located at Pittsburgh near the biggest source of slag, was completed in April, and experiments, with the help of private industry, are already under way.

To get manganese out of slag, metallurgists have employed two

substantially different methods. One, which seems the more promising and which the new Pittsburgh plant is designed to carry through, is essentially a "cooking" process. The other, pursued at the bureau's experimental station at College Park, Md., is a "magnetic" method.

In the cooking process, high-iron, high-phosphorous slag is first smelted in a blast furnace. Air is then blown through the molten metal oxidizing the iron and phosphorous. Left behind is a "man-



**... again
up steps progress
in petroleum**

ACTIVITY NO. 1 at Cities Service is to keep right up to today.

One of the most recent steps of Cities Service progress reaches skyhigh over East Chicago today. The Cities Service refinery there is now topped by a huge new unit of the latest type for catalytic refining. Improvements extend to the refinery's new gasoline treating equipment, gas purification unit, and gas recovery system. Many other modern structures, including the new "spheres" for storage of highly volatile hydrocarbons, all enter into that new look today at East Chicago.

There as elsewhere, progress by Cities Service results in products of excellence, and service to match. Consequently, users of petroleum products for industry, commercial transport, farming, and motoring can be sure of receiving top quality when ordering from Cities Service.

CITIES SERVICE

QUALITY PETROLEUM PRODUCTS

made ore" containing 55 to 60 per cent manganese—even more than is contained in most imported grades.

Until recently, this man-made product had one big defect: it contained too much phosphorous even after being oxidized. To be useful, the ore had to be less than 0.12 per cent phosphorous, but it usual-

ly wound up about three or four per cent. About six months ago, however, Bureau of Mines metallurgists in Pittsburgh developed a technique that enabled them to cut the phosphorous all the way down to 0.10 per cent.

This technique will remain a secret until patented by the government. Afterwards it will be made available to any company desiring to use it. Meanwhile, government metallurgists are trying to reduce the cost of this and other slag-recovery processes.

The magnetic process has a different shortcoming: it provides a product which, while low in phosphorous, is also very low in manganese and high in iron. The mixture: about 16 per cent manganese and some 80 per cent iron. Standard grades of manganese currently used are 48 per cent manganese.

In the magnetic process, the slag is ground up, mixed with water and then placed in a magnetic separator, which is often no more than a magnetized revolving drum. Manganese-bearing particles stick to the sides and are then scraped

off. The trouble is that more iron than manganese particles are drawn off by magnetism.

Government metallurgists are more than a little convinced they have the answer to the slag-recovery problem in the new cooking process. With the phosphorus problem apparently licked, the government will doubtless undertake a campaign to get private concerns to build slag-recovery facilities in their own mills.

Tax Write Off

The probable means of providing such encouragement is the accelerated amortization feature of the Defense Production Act, which authorizes the Defense Production Administration, on the recommendation of the appropriate agency (the Interior Department in this case), to allow a firm to write off in five years an investment ordinarily depreciated in 20 years. The amount of the write-off is deducted from the firm's taxable income.

Steelmakers last year consumed more manganese than ever before. Their consumption, at 6,300,000 tons, exceeded by two per cent the World War II peak.

It takes about 11 to 15 pounds of manganese for every ton of steel produced. Some of that comes with the iron ore itself. But so much of it gets mixed with impurities and falls out along the way that more manganese must be added before the steelmaking process is over. While this additional manganese has been coming from high-grade foreign and domestic ores, the metallurgists figure that, if necessary, it could come from upgraded ore and slag recovery.

Sharing in the satisfaction of the manganese victory will be more than steel makers and the military. Manganese is important to many chemical processes. It's essential to the manufacture of dry cell batteries and to modern photographic processes. These uses consumed some 110,000 tons last year.

But it's highly doubtful that the rest of the nation will even be aware of the achievement the day the last bit of contaminating phosphorous is squeezed out of slag. Still, that scientific victory may easily prove as significant as more dramatic battles the nation has waged in modern times.

HOW TO BURN WOOD CHIPS—SAWDUST or any SOLID FUEL and MAKE LARGE SAVINGS!

FYR-FEEDER

REG. U. S. PAT. OFF.

Multiple, Fyr-Mobile and Flo-Matic Stoker Systems burn wood chips, sawdust and/or cheapest sizes of coal. One user recently changed from oil to FYR-FEEDER WOOD-BURNING, using wood chips and sawdust hauled from a local sawmill. Total fuel cost is now less than \$150 per month as against \$950 for oil firing—a saving of \$800 per month.

FINES BURN IN SUSPENSION

These stokers automatically meter, feed, burn by continuously distributing airborne fuel over grate (the fines burning instantly in suspension) such fuels as wood (planer) chips, sawdust, cheaper coal sizes, coke breeze, hogged wood and other solid fuels and makes very large savings.

BIN-TO-BOILER CONVEYORS

FYR-FEEDER Automatic "Bin-to-Boiler" Conveyor Systems move fuel instantly from bin or waste wood storage vault to FYR-FEEDER Multiple or FLO-MATIC or FYR-MOBILE Stokers to meet steam demand. More steam is assured.

THEY PAY FOR THEMSELVES

Regardless of type of combustion equipment you now use, learn about FYR-FEEDERS—how they pay for themselves out of fuel and labor savings and WHY they are replacing underfeeds and other stokers, chain grates and oil burners. THOUSANDS of FYR-FEEDERS in service. They PAY for themselves. Write for Engineer—No Obligation.

AMERICAN COAL BURNER COMPANY, Inc.

WOOD WASTES—COAL—COKE—ALL SOLID FUELS

18-M EAST ERIE STREET • CHICAGO 11, ILLINOIS

WIRING

FOR POWER AND LIGHT IN INDUSTRIAL PLANTS

Power Factor Correction and Conversion from DC to AC

Distributors for

• AMERICAN BLOWER

EXHAUST FANS

•

CENTRIFUGAL BLOWERS

•

GYROFLUID DRIVE

• ALLIS-CHALMERS

MOTORS • TEXTROPE • SHEAVES • AND "V" BELTS

ELECTRIC HOISTS AND P & H WELDERS

MOTORS ALL TYPES • SIZES • WIRING & REPAIRING
ALL WORK GUARANTEED • ALL PHONES ARMITAGE 6-8300

SIEVERT ELECTRIC CO.
INC.
Since 1919

ELECTRICAL-MECHANICAL
EQUIPMENT & SERVICE
FOR ALL INDUSTRIES

1333-51 BAUWANS STREET • CHICAGO 22, ILL.



Invest in the MIDDLE WEST

Reviews of Middle-western Companies

By DANIEL F. NICHOLSON

THE combination of favorable postwar business conditions and a new management that instituted aggressive merchandising and promotion practices are reflected in sharply higher sales and earnings for the Holeproof Hosiery Co. and a notable strengthening of the company's trade position.

Holeproof is a pioneer company, established in 1872 to manufacture men's hosiery on two hand-operated knitting machines in Kalamazoo, Mich. The familiar "Holeproof" trade name was first used some time prior to 1900, and was made a part of the company name in 1910. The present company was incorporated in 1904.

From 1904 until 1930, Holeproof earned a profit in every year except 1920. From 1921 to 1930 net profits averaged about \$500,000 a year. Heavy losses were sustained in the early 1930's, and the company reported either losses or nominal net profit until 1939, with the result that it was not in a position to modernize plant and equipment. Sales and earnings improved in the war years, aided by the manufacture of women's hosiery and undergarments for the Wacs, men's socks for the Army and Navy, and bomb parachutes and mosquito netting for the military services, but profits failed to reach the average of the 1920's in any year.

New Management

In December, 1943, Gustave Frankel, an experienced hosiery executive, and his associates, acquired voting control of the company and in 1944 he became an executive of the company. He continues to head the company as president. Under the new management a series of changes were made. The sales force was tripled; sales offices were opened in Boston,

Los Angeles, Chicago and Detroit, to supplement the branch in New York City; the design and color of packaging for the company's three principal lines were changed; advertising and promotional outlays were increased steadily from \$50,000 a year to \$500,000; the company's long established "Satisfaction Guarantee" was revived; manufacturing facilities were expanded and improved at a total cost of more than \$4,000,000; new merchandising methods and techniques were adopted, including fashion shows in Chicago and New York City for buyers and the press with the introduction of each season's new line; increased emphasis was placed on the development of the women's undergarment line on which profit margins are much higher than for hosiery; new all-nylon slipper socks called "Nappers" were introduced.

Has 15,000 Dealers

In December, 1943, Holeproof had 3,500 active dealers and sales that year were a little more than \$7,800,000. Today the company has more than 15,000 dealers. Sales last year exceeded \$23,700,000 and earnings were more than \$2,100,000.

Holeproof's three major lines of products are men's hosiery, women's hosiery, both sold under the Holeproof brand, and women's undergarments sold under the trade name "Luxite." The undergarment line has outdistanced the hosiery and now represents about 55 per cent of total sales as compared with 18 per cent in 1943. The line consists primarily of panties, girdles, slips, petticoats, nightgowns, pajamas and bed jackets. A small percentage of the company's business consists of sales of hosiery and garments under private labels or at special prices, sales of imperfects, and exports.

Nylon yarn, the principal raw

The business insurance plan you select

... should be tailored to fit your business. Your Prudential Agent will help you select the **right** one. We offer plans especially adapted to these business situations:

- a new business anticipating increased earnings in future years.
- an established business with proven, dependable earnings.
- a business that requires low-cost temporary protection to cover business loans or plant expansion.

Ask your Prudential man for details about the plan that is best suited to YOUR business. Do it today.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

A mutual life insurance company



HOME OFFICE:

NEWARK, N. J.

A. J. BOYNTON AND COMPANY

ENGINEERS AND TECHNICAL
COUNSELORS

*A Competent
Engineering
Organization*

*Committed to Rendering
Accurate and Efficient
Technical Service*

ECONOMICS OF PRODUCTION
PLANT LAYOUT & DESIGN
BUILDINGS, STRUCTURES
AND EQUIPMENT
COST ESTIMATION
CONSTRUCTION
OPERATION
PRODUCT DESIGN
ENGINEERING SERVICE
ELECTRICAL, MECHANICAL
STRUCTURAL, METALLURGICAL

109 N. WABASH AVE.
CHICAGO 2, ILL.
CE ntral 6-8442

GOOD PRINTING

with GOOD SERVICE at GOOD PRICES

- Factory Forms
- Company Newspapers
- House Organs
- Legal Printing
- Financial Printing
- 4 Color Process
- Catalogs
- Brochures
- Sales Helps
- Blotters

Our presses run DAY and NIGHT. We help plan the job to give you more for your money.

COMPARISON PROVES-

Whatever your requirements for GOOD Printing
Phone HARRISON 7-6249 for our quotation.

THE JACKSON PRESS, INC.

633 S. Plymouth Ct., Chicago 5, Ill.

Enjoy the whiskey that's "Cheerful as its Name"

Old Sunny Brook

BRAND



**White
Label**

**KENTUCKY
STRAIGHT
BOURBON
WHISKEY**

**93
PROOF**

**Yellow
Label**

**KENTUCKY
WHISKEY
—A
BLEND**

**93
PROOF**



**65%
GRAIN
NEUTRAL
SPIRITS**

THE OLD SUNNY BROOK COMPANY, LOUISVILLE, KENTUCKY

Gold Seal Liquors, Inc.

Exclusive Distributors — Chicago

material used, is under allotment by the manufacturer, but in view of the large increase in manufacturing capacity of the yarn in the last few years, Holeproof is not unduly concerned about its ability to obtain reasonable supplies unless full scale war develops. The company's equipment is adaptable for the use of the natural fibers, silk and cotton, and synthetic fibers such as rayon and others. During World War II when nylon yarn became almost entirely unavailable for civilian use, Holeproof devoted 75 per cent of its facilities to production for the military, and present equipment is suited to the manufacture of additional items for defense.

Recapitalization In 1933

A recapitalization was effected in October, 1933, when the par value and dividend rate on the preferred stock were reduced from \$100 and 7 per cent to \$60 and 6 2/3 per cent, respectively. Holders of the preferred also received one share of common stock for each preferred share. Outstanding common stock was reduced from 108,177 shares to 70,697, and 35,348 shares were surrendered to the company to permit the distribution of 21,209 shares to preferred stockholders and to provide 14,139 shares for managerial compensation.

From 1932 to 1940, inclusive, the company earned the dividend requirements of the preferred stock in only one year, 1939. All accumulated preferred dividends were cleared in 1943, and dividends were then paid regularly on the senior stock until April, 1945, when it was called for redemption.

The first public sale of common stock of Holeproof Hosiery Co. was made in September, 1950, when a group of stockholders sold 115,263 shares. Immediately prior to the offering, each of the then outstanding shares of no par value common stock was changed into 7 1/2 shares of \$5 par value a share. Giving effect to this split-up, the common stock outstanding totals 529,920 shares. More than half of the stock is held in a voting trust.

In addition to the common stock, outstanding capitalization includes \$1,738,000 of debt, consisting of notes payable, serial debentures and a small mortgage note. The

common stock is traded in the over the counter market.

Two dividends of 35 cents a share each were paid on the new common stock in 1950. This year a quarterly dividend of 35 cents a share was paid March 26 and another is payable June 25. On the old common outstanding after the 1933 recapitalization an initial dividend of \$2.50 a share was paid in 1947, and was followed by distributions of \$2.75 a share in 1948 and \$3 a share in 1949.

Following is a tabulation of net sales and net earnings for the years 1940 to 1950, inclusive:

Years ended Dec. 31—	Net Sales	Net Earnings
1950	*\$23,829,000	\$2,140,028
1949	19,763,394	1,241,878
1948	20,226,682	1,428,977
1947	16,767,848	1,199,254
1946	14,018,058	1,153,679
1945	7,827,823	204,596
1944	8,004,336	231,699
1943	7,916,321	304,872
1942	6,606,839	336,497
1941	6,728,124	353,735
1940	5,969,321	50,054

*Based on figures reported to the Securities and Exchange Commission.

The 1950 earnings were equal to \$4.04 a share, against \$2.34 a share, on stock now outstanding, in 1949.

Holeproof's main plant and headquarters are in Milwaukee, Wis., and the company has seven other plants in the United States and three in Canada. Canadian operations are carried on by Holeproof Hosiery Company of Canada, Limited, in which a 50 per cent interest was held until 1946, when the remaining stock was acquired. The foregoing statement of sales and earnings excludes the Canadian company prior to 1946. Sales of this subsidiary accounted for approximately 14 per cent of consolidated sales in 1949. The Canadian company did not begin the manufacture of women's undergarments until 1946, but this line now represents more than a third of its total sales.

Export sales have always been small but the company is now beginning to develop this market. At the beginning of 1950 an existing arrangement with an export agency was discontinued and Holeproof began the organization of its own exporting department.

The company does not have a definite bonus plan except for one



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covering the president of the company who receives a salary of \$17,000 plus a profit sharing bonus not to exceed \$23,000 in any one year. However, for a number of years the company has reserved 7 per cent of each year's earnings before income taxes and before the president's bonus, for distribution to executives, department heads and key employees. On December 5, 1950, directors of the company voted to set aside 20,000 shares of common stock for sale to certain key employees at \$14 a share.

Advertising Program

The prospectus prepared in connection with the public offering of common shares last September gave an outline of the company's advertising activities as follows: "The company's advertising is directed both to consumers and to the trade. Consumer advertising consists principally of magazine space plus newspaper advertising placed by the company's customers under the company's cooperative advertising plan in which the company shares the cost of the advertising up to a percentage of the yearly volume purchased by the customer. The national advertising media used include Life, Ladies Home Journal, Harper's Bazaar, Saturday Evening Post, Esquire and others. Trade advertising consists of advertising in trade journals, furnishing of newspaper mat service, display cards, and other retail helps, and direct mail to hosiery and underwear retailers."

The advertising schedule for the coming Fall is 112 per cent larger than that for the Fall of 1950.

More than \$1,200,000 was spent for capital additions during 1950, and at the end of the year the unpaid commitments for plant and equipment were approximately \$1,000,000. A substantial part of the cost of these additions will be financed by available funds, the 1950 annual report stated.

Cash on hand at the close of 1950 amounted to \$2,467,602, and total current assets were \$11,837,267. Current liabilities amounted to \$5,047,378. Other assets consisted of prepaid expenses, etc., \$259,733, investment in other company \$249,700, and plant and equipment \$4,196,962. Total assets amounted to \$16,543,663.



INDUSTRIAL DEVELOPMENTS

IN THE CHICAGO AREA

INVESTMENTS in industrial development in the Chicago Industrial Area during May totaled \$38,643,000 compared with \$12,092,000 during May, 1950. Total investments for the first five months of 1951 amounted to \$211,965,000 compared with \$119,151,000 for the same period in 1950. These developments included expenditures for the construction of new plants, additions to existing industrial buildings, and the acquisition of land or buildings for industrial purposes.

Buick Motor Division of General Motors Corporation will construct a major plant for war production on a site near Willow Springs road at the intersection of the Atcheson, Topeka and Santa Fe Railroad near Willow Springs. The main structure, with auxiliary units, will occupy 1,650,000 square feet. The property will be owned by General Motors Corporation and, therefore, will have peacetime usefulness although designed originally for the production of military items. Thorgersen and Ericksen Company, general contractor.

Johnson and Johnson, manufacturer of surgical supplies, located in the Clearing Industrial District, has purchased a 160,000 square foot plant at the rear of its principal factory.

Wesson Oil Company, 4401 W. 31st street, has started construction of an addition to its plant. The three-story addition will be utilized as an oil refinery.

Abbott Laboratories, North Chicago, will build a two-story warehouse and a special three-story laboratory building.

Industrial Filter and Pump Manufacturing Company, 5900 W. Ogden avenue in Cicero, has pur-

chased a building on Ogden avenue near Austin boulevard. The company manufactures heat exchangers, pumps, rubber-lined steel tanks, and filters for clarification of liquids. J. J. Harrington and Company, broker.

Ingersoll Products Division of Borg-Warner Corporation, 1000 W. 120th street, has started construction of a 30,000 square foot addition to its plant. The expansion is necessitated by a defense contract for large caliber steel cartridge cases.

Western Electric Company will occupy a government-owned plant at the corner of Fullerton and Normandy avenues. The plant was constructed and operated by the Revere Copper and Brass Company during World War II as a cartridge brass rolling mill. Western Electric will produce electronic ordnance items.

Wyman-Gordon Company, Ingalls Shepard Division in Harvey, is constructing a large boiler plant and making other alterations to facilities for the output of aircraft forgings. Schmidt Garden and Erickson, architect.

Ecko Products Company, 1949 N. Cicero avenue, manufacturer of baking ware, is making an addition to its plant. Gerhardt F. Meyne Company, general contractor; Friedman Alschuler and Sincere, architect.

Charles Grotnes Machine Works, 2111 W. Lake street, is constructing a machine shop at 5454 N. Wolcott avenue which will contain approximately 15,000 square feet of floor area.

Crystal Tube Company, 538 S. Wells street, has started construction of a factory building at 6625 W. Diversey avenue. The structure



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will contain approximately 53,000 square feet of floor area on 112,000 square feet of land and will house the entire operations of this company. The plant will be used to manufacture cellophane rigid wall transparent containers.

Emerol Manufacturing Company, processor of oil for use in high compression engines, has purchased a six-acre site in Arlington Heights, on which it will build a branch plant.

Stewart-Warner Company has acquired an additional building, containing 33,000 square feet of floor area, at 2625 W. Grand avenue.

Nox-Rust Chemical Corporation, 2429 S. Halsted street, is constructing a plant at 48th street and South Central avenue in Stickney Township where it will manufacture its line of rust preventives and auto underbody coatings.

Shur-Gloss Manufacturing Company, 3555 W. Grand avenue, has purchased the one-story, 18,000 square foot building on the corner of Knox avenue and Addison street. Shur-Gloss manufactures automotive chemicals.

Mosow Screw Company, North Chicago, is erecting a two-story building containing 48,000 square feet of floor area in Waukegan.

Kraft Foods Company has acquired the building at 457 S. Halsted street containing 16,000 square feet of floor area.

Scully-Jones Company, steel fabricators, has added 18,000 square feet

of floor space to its plant at 1900 S. Rockwell avenue.

Whitehead Brothers Rubber Company, 165 N. Aberdeen, is building a branch factory in Melrose Park where it will manufacture tank linings and other rubber products.

Imperial Smelting Corporation, 4442 Fillmore street, is erecting a 15,000 square foot building on a site at East 1034d street, adjacent to the Pullman Railroad. The company is a smelter of lead, tin and zinc.

Rust-Oleum Manufacturing Company, Inc., 2425 Oakton street, Evanston, is constructing an addition to its plant which will include 13,000 square feet of floor area which is to be devoted to laboratory, warehouse and office space. The company manufactures a line of rust preventives.

Accurate Threaded Fasteners Company, 4645 W. Washington street, has purchased the one-story plant at 834 N. Western avenue. The company will operate both plants. Straus and Company, brokers.

Chicago Mold Engineering Company, producer of plastic molds, dies and special machinery, located at 1355 W. North avenue, is constructing a factory at Washington Boulevard and Mannheim road in Hillside. The structure will contain 10,000 square feet of floor area.

West End Screw Company, 14177 25th avenue in Melrose Park is constructing a small plant.

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NEwcastle 1-2868

DIAL OPR. Vanderbilt 4-8141

Doing Business Under CMP

(Continued from page 14)

to NPA's electrical equipment division.

The Class B firm must give the name and code number (from the official products list) of the item. It must list shipments and unfilled orders; the proposed production schedule, by months, for 18 months in advance; and consolidated purchase schedules by quarters for controlled materials.

This application, with similar ones, is used by the NPA industry division to work out an electric

motor program, which (as in the case of Class A) is submitted to DPA and comes back as an authorized program, with an overall materials allotment. Again, the allotment is for one quarter at a time.

The process of using the allotment is the same as for Class A. It is placed with any producer or distributor of controlled materials unless NPA specifically directs it to a particular producer, as a means of keeping the business

Telephone wires are humming with defense calls

You save time
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You'll save yourself time, these busy days, by keeping a list of the numbers of the out-of-town telephones you call most often.

When you *call by number*, the Long Distance operator doesn't have to consult Information and your call goes through faster.

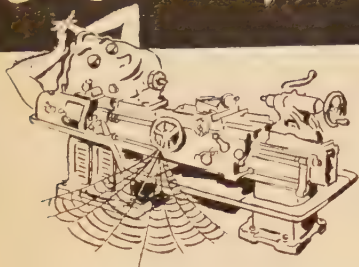
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—and better service for all America right now when telephone lines are carrying urgent industrial and military calls.

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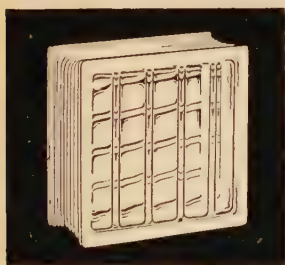
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spread evenly through the supplying industry.

It is important to remember that a Class A manufacturer may be a supplier to a Class B manufacturer in which case he receives his CMP allotment from the Class B product maker who is his customer. The product maker must find out how much steel, for example, his Class A supplier is going to need and include it with his CMP 4-B application for allotment from NPA. On the other hand, the Class A producer who buys Class B product made of steel, copper or aluminum does not have to request an allotment for these metals even though the B product requires them.

There is no difference in priority between Class A and B orders, both have equal preference. The supplier fills them in the order of receipt.

Equal Defense

Some companies, of course, will be in both classes, for the system is based on products, not on companies. A Class A manufacturer of tanks who needed electric motors as a component would not get an allotment for the motors; he would get a "DO" rating to purchase them and the producer would get his own Class B allotment. But if one company's products put it in both Class A and B, it would apply separately under each category.

During the first quarter operation of CMP, existing "DO" ratings will continue to be honored, on an equal basis with other allotments. After that they will go out of existence except as a means of giving Class A products first claim on Class B components.

Does CMP seem complicated? Actually, the procedure outlined above is a streamlined account of it. There are exceptions in the regulations, all along the way, to take care of a host of contingencies.

This outline, however, covers the major features of how CMP operates. Complicated as CMP is, and inefficient as it is bound to prove in at least the first quarter of operation, it provides machinery which the last war's experience has shown to be better capable of coping with emergencies in our defense requirements than any yet devised.



TRANSPORTATION and TRAFFIC



A STATEMENT in opposition to S. 1335, proposing reductions in the size and weight limit of parcel post, has been submitted to the Senate Post Office and Civil Service Committee by the Chicago Association of Commerce and Industry. The bill would reduce the maximum size of parcel post packages from 100 united inches to 72 united inches and would reduce the 70 pounds maximum weight of a package shipped by parcel post to 40 pounds when destined to points located within the local, first and second zones and to 20 pounds when destined to points within the third to eighth zones, inclusive. The proposed restrictions would only apply on parcels originating at and destined to first and second class post offices, retaining the present size limit of 100 united inches and weight limit of 70 pounds on parcels originating at or destined to third and fourth class, post offices and to rural and star routes. The C.A.C.I.'s statement declared that "the size and weight restrictions would prohibit the mailing of millions of parcels to first and second class post offices reducing postal revenues proportionately and would deprive approximately 23,000,000 families and an unknown number of business firms from utilizing parcel post services for transportation of many articles, which because of size or weight would exceed the restricted limits." The statement added that the proposed restrictions would "increase the cost to the post office department since it would require postal employees to check the specific address of each parcel to determine if the shipment is to be delivered to a third or fourth class post office, or if it is to receive rural or star route service. If the parcel is destined to a first or second class

post office, then the postal employees would be required to check the size and weight to determine whether or not such package is mailable under the limited restrictions proposed."

Sundays excluded in computing demurrage charges: Sundays are again excluded in computing demurrage charges on freight cars. The action was taken by the Interstate Commerce Commission through its Second Revised Service Order No. 856 which became effective at 7:00 A.M., May 1. In the original Service Order No. 856, which became effective August 1, 1950, the railroads were required to include Saturdays and Sundays occurring after the 48 hours free time when computing demurrage on freight cars. This was one of the earliest actions taken to increase the availability of freight cars during the defense emergency. The Defense Transport Administration reports that a greater number of industrial plants have been operating loading and unloading facilities on Saturday which has resulted in an improvement in the freight car situation and in light of this, Sunday has again been restored to the status it enjoyed prior to the issuance of Service Order No. 856. The increased demurrage charges imposed under I.C.C. Service Order No. 865 were suspended on refrigerator cars, effective May 1. During the period of suspension, normal tariff demurrage charges will apply on refrigerator cars.

Chicago Hearing on Rail Rate Increase June 11: The Interstate Commerce Commission has set the Chicago hearing in Ex Parte No. 175, **Increased Freight Rates and Charges, 1951**, for June 11, 1951, in the Congress Hotel, before Commissioner Mahaffie. The proceeding involves the railroads' request



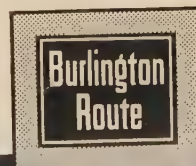
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for a general 15 per cent increase in freight rates and charges. Parties are directed to present all evidence with respect to lumber and products of forests, livestock and products of animals and grain and grain products at the Chicago hearing. Other regional hearings on the proposed increase have been set as follows: Portland, Ore., June 5; Salt Lake City, Utah, June 11; Washington, D. C., June 18; Mem-

phis, Tenn., June 19; and again at Washington, D. C., on June 25. At the hearing in the proceedings which began May 14 in Washington, D. C., numerous railroad officials testified in support of the railroads' petition. The National Industrial Traffic League at a special meeting held in Chicago on May 11, voted to participate in the proceeding.

Does The Public Believe It?

(Continued from page 20)

in affairs in which they participate. The whole conception of consultative management is based on this principle. So too is the conference method of teaching. Under the conference method, the discussion is structured with questions so that people arrive at their own answers. Naturally they have more confidence in conclusions they have reasoned out for themselves than conclusions superimposed from without.

Group Thinking

Group thinking carries moral authority and believability, but group thinking does not always come to right conclusions. The function of leadership is to lead. Intelligent management will always try to know what its publics are thinking. In some cases it may wish to conform; but in other cases it will elect to resist. There is believability when management talks this way:

"You folks, we know, would like to have \$200 pensions. We have to stop and ask: If we add that cost to the price of our product, will we be able to sell it in competition with our competitors' products? Are you employees willing to pay higher prices?"

This brings us to the third item of our inventory—face-to-face discussion, and generally what we call "see and feel" communication, carries strong overtones of believability. In the management pyramids which we have been privileged to examine, the greatest solidarity is present when top management meets regularly with foremen, discusses the problems of the business, and makes foremen feel part of

management. This principle applies likewise to the rank and file.

Our studies show that employee meetings are very popular with job holders. Also it can be demonstrated that those who know their boss best are most inclined to believe what he says. Among employees not acquainted with the boss, confidence is sharply lower. For example, in one study on this subject, 89 per cent of those who know the boss say he lives up to his promises vs. 50 per cent who are unacquainted with the boss. Eighty per cent of those well acquainted with the boss say he does a good job of running the company, vs. 44 per cent who are unacquainted. Fifty-nine per cent of those who know the boss credit him with willingness to pay higher wages as the company prospers. Sixty-five per cent of those who know the boss say his salary is OK, whereas 34 per cent of those unacquainted with him say his pay is OK.

Further, under the heading of face-to-face discussion: When a company brings people to the plant, talks with them, shows them around, answers their questions, the company story becomes believable. Talking to a group of clergymen who toured local plants, 37 out of 39 said they enjoyed the experience and would like to attend more tours. In another case, 15 out of 17 clergymen who attended a dinner meeting of a plant called their experience helpful in their work; said they had a better understanding of the company's problem, and indicated that they would like to attend more meetings.

The fourth item in our inventory

of believability is the establishment of good motives. Our researches continue to impress on us the fact that people are ends-minded; they want to view the rosy dawn; they want to live in the manner to which they wish to become accustomed; they listen to and believe leadership which they think is working for their goals. Franklin Roosevelt was one of the greatest vote getters in American political history. He was elected to the presidency four times. The secret of his success, as we analyze the evidence, was that he convinced middle and lower income groups that he was fighting for a better life for them. He was for social security; fair wages; better schools; better medical care; full employment, and everything else the common man might want.

Public Interests

If you take away every public relations technique but one, and asked me to choose which one to hold on to, I would without hesitation select the technique of "getting on the side of the angels." This is not said cynically. I have talked with a lot of sales and promotion people on the subject of believability and asked them what is the secret of successful selling. The answer invariably comes back to one idea, "Find the interest of the buyer and show him how that product will satisfy that interest better than the product of any competitor." Believability in public relations must follow the same principle—"Find the interests of the company publics and show them how the company is seeking to satisfy those interests."

Once people agree with you on the goal, they are disposed to accept your proposals on the best means for reaching those goals. The technique of starting communication with "This is our goal," and "This is what we are striving to do," is one of the most powerful stimulants to believability yet devised.

The fifth and final item of our inventory of believability is what we might call "the aura of dealing fairly." Confidence in a company isn't established over night. It becomes an aura or atmosphere that greatly influences the believability of company communications.

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Waterproof... Impervious to food fats. Ideal for Food Processing Plants, Laundries, etc.

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Pre-mixed... Floors may be patched while plant is in operation.

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OUR materials can be purchased for your own application... or we will contract for complete application. Inspection of your floors and recommendations made without cost or obligation.

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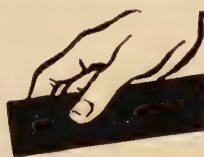
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New Products

Collapsible Drum

The United States Rubber Company has a new 55-gallon synthetic rubber-fabric drum on the market that can be collapsed when emptied and returned in a fraction of the space required by a rigid drum. Suitable for shipping liquids, the drum is in limited production for essential uses in the petroleum and liquid chemical fields. More than 2500 collapsed drums can be shipped in a standard railroad boxcar which would hold only 300 rigid drums. The company's address: Rockefeller Center, New York 20, N. Y.

Natural Gas Engine

A new engine, designed especially for use in areas having a plentiful supply of natural gas, has been introduced by Cummins Engine Company, Inc., Columbus, Ind. The engine uses natural gas, is classified in the medium speed field with a 1100 rpm rating and is expected to be used principally in providing economical power for oil well drilling rigs. Other possible uses: pipe line pumping stations, municipal power plants and cotton gins.

Convenient Taper

With Marsh Stencil Machine Company's new "Dial-Taper," you simply spin a telephone type of dial and out comes the desired length of gummed tape moistened with warm water. The automatic packaging aid is power operated from any 110-volt lighting circuit. The company is at Belleville, Ill.

Oil Sleuth

"Oil-Eye" is the name given a new device that fits on your automobile dashboard and tells you if you have sufficient oil and if it's clean or dirty. The warning device is manufactured by the Oil-Eye Corporation, Winona, Minnesota.

Liquid Sandpaper

A liquid chemical solution, said to replace the tedious sanding of surfaces preparatory to refinishing, has been introduced by General Liquids Corporation, 5140 Reisters-town Road, Baltimore 15, Md. "Liquid Sandpaper" is wiped on with a cloth and, according to the manufacturer, it dulls the gloss of

enamel, varnish, lacquer or other surface finishes, converting the old finish into a cohesive undercoat. The liquid is also said to remove deeply imbedded dirt and grime, dissolve wax, grease and polish, and require no after-rinse.

Currency Dispenser

Everyone is familiar with the cashier's and bank teller's coin dispenser which flips out exactly the right change at the punch of several keys. Now, however, Burroughs Adding Machine Company, Detroit 32, Mich., is experimentally producing a comparable machine that dispenses currency up to \$300 by the same method. The desired amount of currency is dispensed, not flat, but in pre-selected rolls for accuracy. Co-inventor of the device is President Hiland B. Noyes of Chicago's Upper Avenue National Bank, which is now using the machine to explore customers' reaction.

Artistic Heating

That attractive framed picture on your neighbor's living room may be a lot more practical than you imagine. Electrofilm Corporation, North Hollywood, Calif., has come up with such a picture that radiates heat through an electrofilm process, while still holding the surface temperature of the picture below 200 degrees F.

Food Spot Eradicator

Pabst Brewing Company, 221 N. La Salle St., Chicago 1, has developed a cleaning agent called Exzyme which it believes will finally solve that old gravy-stain-on-the-new-tie problem. Exzyme is a digestive agent, said to remove spots made by ice cream, chocolate, gravy and eggs from clothing with no harm whatever to the cloth. A pound of the substance is mixed with water to make 60 gallons of cleaner for cotton, rayon, wool, nylon, acetate and vinyon.

Delayed Switch

If you're the person who snaps off the light and then falls over a chair on the way to bed, Electric Deodorizer Corporation has just the thing for you in a delayed action

light switch. Snapped off, the light stays on about a minute to get you into bed, off the front porch or down the stairs. The company's address: 9993 Broadstreet, Detroit 4, Mich.

Hard Surface Wax

Nu Surfas Corporation, 7312 Bennett Avenue, Chicago 49, has developed a hard surface penetrating wax said to reduce maintenance costs of wood, concrete, terrazzo, marble, ceramic tile, linoleum and cork floors from 50 to 75 per cent. The wax, according to company, makes such surfaces water resistant, grease-proof, stain-proof, mar-proof and permanently waxed. No re-treatment is necessary.

Trends In Finance and Business

(Continued from Page 10)

procurement in March to small cent in January. The Army awarded business as compared with 10.2 per 36.3 per cent in March, compared with 22.4 per cent in January. The Navy awarded 21.5 per cent in March as compared to 12.5 per cent in January. All government agencies emphasize, however, that these breakdowns do not include sub-contract defense business, a huge volume of which they believe is going to smaller firms.

« « » »

As painful as inflation has been in this country, the United States is still better off than some of its international neighbors. So reports the National Industrial Conference Board which finds that consumers' prices have surged upward since last June in 46 out of 51 countries covered in a board survey. Best off of all these nations is Burma where prices have actually fallen in the last 12 months. Worst off is Iceland where prices have risen 19 per cent.

From the beginning of the Korean conflict through February, 1951, consumers' prices in the United States increased eight per cent, the board reports. This places us in fourteenth place among the 51 nations. Figured on the basis of wholesale prices, the U. S. index increased 17 per cent in the same period, placing us twentieth, or

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about midway among the 36 countries for which wholesale figures were compiled. European countries, notably Finland, Spain, Belgium, Denmark, France, Austria, Western Germany and Italy, have suffered much sharper wholesale price rises, while seven countries, including the Philippines and Mexico, have witnessed price rises about equal to this country.

Selecting food prices for special consideration because of their importance to overall consumer prices, the board discovered that grocery store prices in Iceland have increased twice as rapidly as in the United States—a fact which should be of small consolation to the American housewife.

Here, There and Everywhere

(Continued from page 8)

a potential shortage of insulin and increase supplies of adrenocorticotrophic hormone (ACTH) and trypsin. The four-story plant will draw upon Argentina's huge meatpacking industry for its raw materials and, under a government agreement, will supply about 20 per cent of its production of the three drugs to fill Argentine needs. The remaining 80 per cent will be distributed world-wide.

- **Biggest Belt Built** — The largest conveyor belt ever built in a single roll went into operation last month at the Baltimore and Ohio Railroad's new \$5,000,000 ore pier near Baltimore. Built by B. F. Goodrich Company, the belt travels 400 feet per minute and transports 2,000 tons of ore an hour. It is 1,812 feet long, 48 inches wide and weighs 45,000 pounds.

- **Safety Slidefilms** — Three new safety slidefilms on speeding, backing-up and tail-gating, designed for showing before large fleet operators, are being released this month by the National Association of Automotive Mutual Insurance Companies. The slidefilms were produced by Vogue-Wright Studios of Chicago, whose earlier film in the safety series, "Caution At The Crossroads," was awarded first prize in the traffic and transportation field by the National Committee For Films On Safety.

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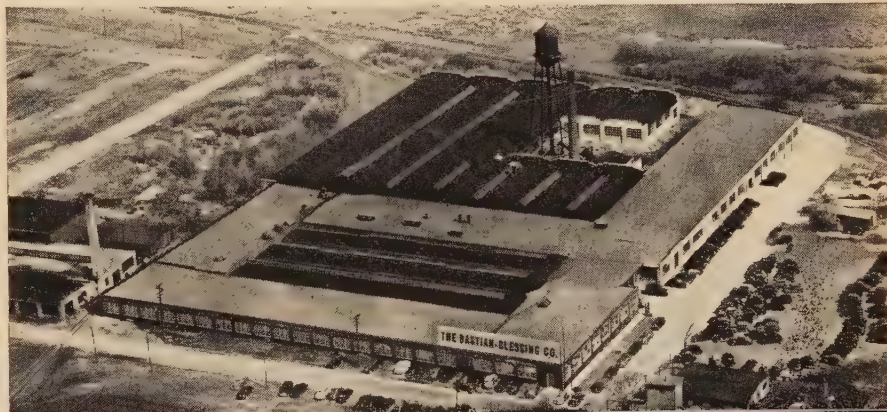
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OCR: Washington's New Civilian Champion

(Continued from page 18)

ance manufacturer or a shirt-scarce haberdasher. "We won't turn our backs on any producer or distributor of civilian goods," he adds.

That means OCR will even hear complaints from those who have already taken problems to one of NPA's 35 industry divisions—like the chemical division, the rubber division, the communications equipment division, the textile division or the leather division. Anyone who is unsatisfied with the treatment he receives in one of those offices can bring his troubles to OCR—even if an unfavorable industry division judgment has been upheld by NPA's appeals board. Even small firms who have their champion in NPA's office of small business can, if they like, come to OCR for help.

Special favorites will be those who have no champions in existing government agencies. They're likely to be heard and helped first. A recent OCR visitor was a purchasing agent for New York City who was having trouble getting tires for the city's garbage trucks. The regular supplier claimed the tire size was obsolete and had begun using his rubber for other purposes. Since the company still had its moulds, OCR induced another tire company to buy the first firm's moulds and make the tires for New York garbage trucks.

"Government agencies—local, state or national—and a myriad of industries and trades have no one else to help them. They fall squarely under our umbrella," an OCR man explains. "So naturally we're especially concerned about them."

Bullets For The FBI

Only a few days earlier OCR helped the FBI get filing cabinets and bullets. Like the government agencies, several miscellaneous industries and trades have also called for help.

OCR steel men opened their eyes wide when a group of water well diggers tramped in with a melancholy tale. The well diggers, while small and numerous, were far more vital than urbanite planners imagined. They showed that millions

of farmers and suburbanites were dependent entirely on water wells. When they pointed out that they were having trouble getting even enough pipe to replace worn-out sections, OCR agreed to try to get NPA's iron and steel division to draw up a special steel allocation program for the well diggers.

Not all problems are that critical. A group of New England silverware producers complained that an NPA order was taking their nickel supplies away. This, they said, upset silverware making formulas used for generations. Result: OCR got its production-controlling colleagues in NPA to let these manufacturers go on using nickel.

There are several methods OCR has for making its influence felt on behalf of civilian producers and consumers. The agency has a representative on the inter-departmental requirements committee which hashes out allocation programs like the one for freight cars. Also on this committee are members of the Munitions Board, the Agriculture Department, the Petroleum Administration for Defense, the military and other top-level groups. While the final decision on allocations is up to the Defense Production Administration, OCR can present its case for paring down one program, liberalizing another or initiating still another.

Steel For Heaters

The agency has already successfully initiated some programs of its own. One sought to get steel to makers of heating equipment like radiators. Another was aimed at getting steel for the construction of hospitals and schools. Officials say they won't be surprised if, by the end of the year, they've started several dozen programs calling for steel allocations, say to makers of safety pins, baby carriages, vacuum cleaners, refrigerators and washing machines.

Its position on the requirements committee is only one means by which OCR can foster the civilian economy. Agency representatives are also in attendance whenever a control order is drafted. They can question the necessity for the restriction and suggest ways for lightening the burden on civilian producers involved.

OCR may even question the military's claim on scarce materials. When the military asked for 80 per

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cent of the nation's cotton duck production recently, OCR squawked that the civilian economy couldn't part with that much, that cotton duck was needed for fire hose and for many other essential civilian purposes including the lining in almost every pair of shoes. Former DPA Administrator Harrison finally told the military it would have to get along with less duck.

After the military's share is determined, OCR is still able to influence the final drafting of a control order to see that what's left for civilians is distributed equitably. This may mean, for example, that some producers of, say, aluminum items like electrical parts will be permitted to retain their production levels to a greater extent than, say, producers of pots and pans.

Agency's Work

When the control order is finally issued, OCR's work is hardly begun. Then the agency begins hearing about hardships that hadn't been anticipated. To remedy these, the agency goes back to the order writers or, if necessary, to top mobilization officials to get things changed.

Wholesalers and retailers are likely to channel many problems to OCR's distributive trades division. Here are some of the problems that are anticipated in this field—and possible remedies:

An independent appliance wholesaler may find some manufacturers are giving the lion's share of their output to their own dealers and letting the independents suffer. By calling this to OCR attention, the wholesalers would stand a good chance of getting NPA to issue an order or directive telling manufacturers to remedy that situation, perhaps by insisting that the same proportion of their output be delivered to independent wholesalers as in some past period.

Or the agency may learn that a shirt manufacturer has been so heavily converted to military work, that haberdashers in his area can't get enough civilian shirts. OCR might then encourage the shirt producer to expand his facilities or try to get a new firm into the business. One way OCR could promote that objective would be to promise the prospective civilian shirt producer help in getting machines he would need.

OCR's task is bound to be a

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tremendous one so long as scarcities plague the economy. To keep the job in bounds, Weiss urges trouble-ridden firms in loosely-knit industries to avoid coming to OCR with individual problems. Instead, he suggests they get together and work cooperatively, say through a trade association, for their mutual protection in the mobilization period. Then, Mr. Weiss adds, it will be an industry's problems—not just those of an individual—that will be seeking assistance.

Also, he adds, the organization would be available to distribute any allocations or other help the government may extend to the industry. In the absence of such a distributive mechanism, planners are reluctant to dole out aid likely to be unfairly apportioned. The huge task of keeping the civilian economy as healthy as possible during a mobilization period brought forth an agency similar to OCR in World War II. But the job this time is likely to be somewhat different. In wartime, to meet "essential" civilian demands, materials had to be scrimped from supplies that might otherwise have gone to military uses. Today OCR will have more materials lying around "loose" to dole out to needy civilians. Nonetheless, the new agency will undoubtedly have to grapple with many of the same basic problems faced by its World War II predecessor.

Troubles Foreseen

There will be the problem of persuading the military to forego some materials so civilians can have them. There will be the difficulty of calculating civilian needs statistically. There will be the chance that goods produced for civilian use, like cotton cloth, may somewhere in the distributive mechanism be acquired by the military.

There will also be the toughest problem of all: for each of the millions of items that go into the civilian economy, what production level would best be in keeping with the level of mobilization to which the economy is being geared? Top policy makers, at best, can spell this out in only a general way. It will be up to OCR to determine this for each individual item as its problem comes up.

To the extent that OCR solves its problems, civilians will get butter as well as guns.

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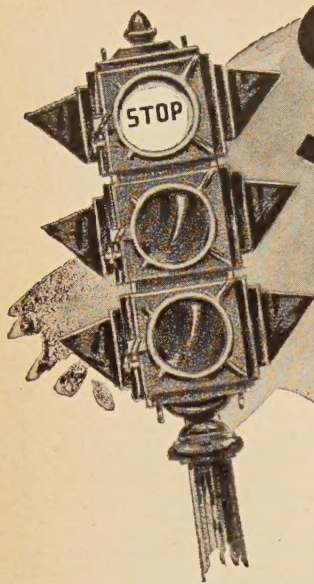
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STOP ME-IF-

To his son who was attending college, the deacon of a church wrote:

Dear Arnold: I suggest that you add penmanship to your other courses; at least, long enough to learn that the small "e" and "l" are not the same height. Until your mother deciphered your last letter for me, I was sure that you and the other young man sharing your room both had coeds — not colds.

Jerry, six years of age, was getting ready for the first day of school. He wasn't very anxious to start and his mother's tear-filled eyes only added to his reluctance. As they drove toward the school and his mother's tears continued to flow, he said consolingly, "Aw, mom, don't take it so hard. Just as soon as I learn to read comics I'll quit."

The long-winded lecturer had been holding forth for over an hour, except for brief pauses from time to time to gulp a hasty drink of water. Finally, during one such intermission, an old man in the audience leaned toward his neighbor and announced in a loud whisper: "First time I ever saw a windmill run by water!"

A planter asked a Negro preacher what subjects he usually preached on in his labors among his people.

"Sometimes Ah preaches on love, sometimes on baptism, sometimes on heaven an' sich subjects," said the preacher.

"Why don't you preach occasionally on the subject of chicken stealing?"

"Well, Ah tell you, boss, when Ah preaches on dem subjects hit allers throws a kind of coldness over de meetin'."

Magistrate: "You cannot drive now for two years, for you're a danger to pedestrians."

Defendant: "But, your honor, my living depends on it."

Magistrate: "So does theirs."

No woman will wear a hat or dress identical to another woman's—but all rules are off on mink coats.

Mrs. Newlywed: "Boo-hoo. The dog ate up all the nice cookies I baked for you."

Mr. Newlywed: "Don't cry, honey, we'll get another dog."

Two judges were arrested for speeding. When they arrived in court, no other judge was present, so they decided to try each other. The first judge went up to the bench and said: "You are charged with exceeding the speed limit. How do you plead?"

"Guilty," was the answer.

"You are hereby fined \$5."

"Hmm," said the other judge, "these cases are becoming far too common. This is the second case of this sort we've had this morning. I hereby fine you \$10 or ten days in jail."

Police Sergeant: "So you say you're an editor, eh?"

Prisoner: "Yes, sir."

Patrolman: "That ain't so, Sarg! I searched his pockets and found money in them."

The stranger ambled into the farmyard and was greeted by the farmer. The visitor produced a card and remarked: "I am a government inspector and am entitled to inspect your farm."

Half an hour later, the farmer hears screams from his alfalfa patch, where the inspector was being chased by a bull. Leaning over the gate as the inspector drew near, the farmer cried—"Show him your card, mister—show him your card!"

First Salesman: "Gee, Albert, I had a marvelous day; made a lot of friends for the company."

Second Salesman: "Me, too, Harold, I didn't sell anything either."

Asked what he thought of the two candidates for the election, an enlightened voter replied: "Well, when I look at them, I'm thankful only one of them can get elected."

"Every one of God's creatures is here for a useful purpose. Now what do you learn from the mosquito, Willie?"

Willie: "We learn from the mosquito how easy it is to get stung."

Cop: "And just how did the accident happen?"

Motorist: "My wife fell asleep in the back seat."

The children had all been photographed and the teacher was trying to persuade them each to buy a copy of the group picture.

"Just think how nice it will be to look at it when you are all grown up and see 'There's Rose; she's married,' or 'That's Billy; he's a sailor.'"

A small voice at the back of the room piped up, "And there's teacher; she's dead."

Dime—A dollar with all taxes deducted.



COX

"There they are, boss, your special cigars . . . that album of records for your son . . . those few little things your wife wanted . . . and my resignation!"